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Exploring the Role of Mobile Banking in Financial Inclusion in Zimbabwe: An Empowerment Perspective

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Abstract:
The main purpose of the study was to examine the role of mobile banking in banking the unbanked in Zimbabwe. The key research question for the study is: what government policy is there to facilitate banking the unbanked in Zimbabwe? Observation, document analysis, semi structured and unstructured interviews were used for data collection and a questionnaire designed by the researcher with structured questions and open-ended questions was used to capture the responses of the unbanked. Fifteen semi structured interviews were held for the bank managers, Mobile Network Operators' personnel and Policy Makers and five unstructured interviews were used to capture the life stories of the unbanked, their thoughts, lived experiences and feelings. Four hundred guided questionnaires were initially rolled out but only three hundred and fifty-eight were completed fully. The study revealed that there are no appropriate policies in place in Zimbabwe for banking the unbanked through mobile banking and neither are they practical guidelines for banking practitioners that are specific to banking the unbanked through mobile banking. The research findings show that policy on banking the unbanked will drive provision of affordable, accessible, safe and formal financial services. Further study could also be on the extend of access for loans and how mobile phones can be a channel for repayment and effect on empowerment as costs of mobile banking cascade to the consumers.

Keywords: *Mobile banking, unbanked, empowerment*

1. Introduction

Banks in Zimbabwe have been all over each other serving the same market segment, the affluent, while ignoring the largest section of the population, the bottom of the pyramid (BOP), economically. About 70 % of the population in Zimbabwe does not operate formal bank accounts for various reasons. Zimbabwe has been going through economic challenges that resulted in most companies closing and forcing people out of formal employment and such people have started income generating activities to sustain their families. Many economies especially in the emerging markets are benefitting immensely from the informal sector and no longer depend solely on the formal sector. Prahalad and Hart (2002), note that the informal economy accounts for 40-60% of all economic activity in developing countries. The Zimbabwe National Statistics Agency (Zimstat) survey 2011/2012 reports that at least 57% of Zimbabweans are engaged in informal sector activities generating about 20% of Zimbabwe's total output measured as Gross Domestic Product.

However as noted by Beck et al, (2011:71) and Beck and Cull (2013:3) such people do not have formal documents (such as company registration documents, title deeds or formal addresses) necessary for opening formal bank accounts. Lack of these documents increased the costs and risks for financial institutions and led to the exclusion of most people from the formal financial sector. Indications are that they need to save for the expansion of their businesses and for unforeseen circumstances that include the death of a breadwinner or for school fees for their children and to acquire assets. Notwithstanding this observation most of the people who operate informal businesses appear to shy away from formal financial service providers. The unbanked have sought for financial services from informal service providers who are often expensive and risky.

Banks were also faced with huge capital costs to expand their branch network to the remotest parts of the country. The banks were discouraged by lack of the appropriate infrastructure necessary for the establishment of brick and mortar bank branches. The low and intermittent incomes of the people at the BOP failed to attract the financial institutions from setting up bank branches close to where people lived especially in the rural areas. The dispersion of the people in the rural areas also made the decision to open bank branches not feasible as some people would still travel long distances to the nearest bank branch which would be costly and unattractive to the intended beneficiary.

Laredo, commented at the European Financial Inclusion Conference Network that "a well-functioning and inclusive financial system can economically and socially empower individuals and in particular vulnerable groups and poor people allowing them to actively contribute to the society we live in and achieve their full human social and economic potential" www.fininc.eu accessed on 23.01.2014. It is therefore important to find ways to ensure that all those previously financially excluded groups have access to affordable, appropriate financial services. Batiz-Lazo and Woldesenbet, (2006) cited Muirui and Ngari (2014:52) and note that financial innovations have become essential for banks to improve performance and to maintain effectiveness on the market. Innovation has the potential to improve service delivery at a more affordable cost. Innovation appears to have proffered a solution to the challenges of building bank branches as banking can be done on the mobile phone device.

Most studies on mobile banking indicated the need for appropriate legislation but there was no study that developed any policy framework or guidelines for the banking practitioners regarding mobile banking and banking the unbanked with the aspect of empowerment of the unbanked. The study addresses this gap by developing and recommending policy framework and practitioners guidelines. The study will be useful for policy makers, banking practitioners, mobile network operators. The researcher assumes that.

- The existing policies on electronic banking are general and do not specifically address mobile banking to bank the unbanked
- The bank practitioners have been dragging their feet in extending financial services to the unbanked because of lack of guidelines to bank the unbanked
- Mobile phones present a platform that financial institutions can use to bank the unbanked and to harness money circulating outside the formal banking system

The main objectives of the study are to develop and recommend policy to bank the unbanked through mobile banking and appropriate guidelines tor banking practitioners.

2. Review of Related Literature

Technology has positively changed the banking industry the world over. Challenges faced by traditional banks in providing low cost services across wide geographic areas led to innovative new business models. The mobile telecommunications industry transformed the banking industry and this was seen in the use of mobile phones to perform banking transactions. The progress in technology, for example mobile money and provision of innovative delivery channels, such as making banking services available through third party agents started playing an important role in providing greater financial access in Africa, Demirgüç-Kunt and Klapper, (2013). Financial institutions have embraced technology and are using technology to extend financial services to the unbanked. Banking services can now be provided to customers at an affordable cost as opposed to the high cost of services that existed before information technology.

Mobile banking (m-banking) is a branch of Mobile Financial Services (MFS) which allows the mobile phone user to have access to bank account information and transaction opportunities. M- Banking has presented banks with new products and services for current and potential customers as it offers convenience, value for money and simple service. The wide acceptance of the use of mobile phones across the social strata has provided a platform on which financial institutions can ride to extend financial services to the currently unreached communities. There are more mobile phones than bank accounts as noted by Gupta (2013:4) who noted that there are 7 billion people in the world with 6 billion mobile phones but 2 billion bank accounts. The majority of the world's poor remain without access to financial services as reported that there are about 2.5 billion people the world over without access to financial services such as savings accounts, credit, insurance and payment services (UN, 2007). Mckinsey and Coy (2009) cited by Tahwa 2013 noted that more than half of the African adult population do not have a bank account but have access to a mobile phone. The founder of WIZZIT (mobile banking services in South Africa) Brian Richardson once said 'people might not have shoes in Africa but they have a mobile phone'. It is therefore an opportunity that can be used by providers of financial services to leapfrog on the mobile phone as a way to extend financial services to the unbanked. In Zimbabwe the mobile penetration rate was reported at 90.3 per cent for the fourth quarter of 2014, Techzim, (2014.) Mobile technology has therefore brought an interesting aspect of extending financial services without the need for a bank branch. Mobile technology has therefore brought an interesting way of extending financial services to all at an affordable cost. Banking the unbanked through mobile phones has brought transformation in banking Asongu (2012), Mavhiki and Nyamwanza (2015:4). The benefits linked to mobile banking include new ways to access services and support livelihoods Boateng, (2011); Heekse (2007); Morawcznski and Pickens, (2009); Allerman and Rapporport (2010); Radcliffe Voorhies (2012) cited by Thulani et al., (2014: 218). For a long time, many people have been excluded from accessing financial services for different reasons which are more or less similar in most developing countries that have been studied, among which are insufficient resources, high bank charges, financial illiteracy, distance, documentation (Porteous 2005; Solo, 2008 and Demirgüç- Kunt and Klapper 2013). Continuing to do the same thing in a world that is fast changing is a sure sign of a lack of progress. All businesses are searching for ways to improve business processes, widen their customer base and increase their bottom line and therefore there is need to transform the way business is done.

2.1. Financial Inclusion

For the purposes of this study the following definition by Centre for Financial Inclusion (CFI) will be adopted. CFI defines Financial Inclusion (FI) as "A state in which all people who can use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients. Financial services are delivered by a variety of providers, most of them private, and reach everyone who can use them, including disabled, poor, rural, and other excluded populations". The mobile phone has therefore emerged as a way that can be used by financial institutions to extent financial services to the currently unbanked because of its reach even to the remote areas. In contrast most of the people in developed countries e.g. 99 per cent in Denmark, 96 per cent in Germany, 91 per cent USA and 96 per cent in France have bank accounts which are a huge contrast with only 20-30 per cent served in formal financial markets in developing countries (ADB, 2007). Many attempts have been made to try and address this anomaly of people without access to financial services especially in developing countries with new technologies and new products.

In developed countries some governments played an active role in stimulating savings programs, payment systems and credit services to address financial inclusion. In some European countries the government passed legislation requiring banks to receive deposits however small Solo (2008). She further noted that in the US, legislation was enacted requiring banks to offer basic financial services at prices affordable to most low-income families. In some cases, banks that failed to serve marginalized groups were nationalized (Kempson, 2006 cited Ram et al, (2012). The question is what do developing countries such as Zimbabwe do to include the currently financially excluded into formal financial systems?

Financial inclusion is not only driven by socio-economic and demographic factors but regulatory and policy environments (Chaia et al, 2009). The findings in their research is that it is possible to serve low income people with financial services yet many still do not have access and the market still remains unattractive to financial services providers. Now the question is with the new technology of mobile phones that has entered the market can it be used to tap into this untapped market effectively? An enabling environment will go a long way in financial inclusion while a non-permissive regulatory environment will stifle efforts of financial inclusion.

2.2. Financial Inclusion and Poverty Alleviation

There has been a growing recognition that access to financial services has a role to play in reducing extreme poverty and boosting sharing in prosperity and supporting inclusive and sustainable development, World Bank (2014). Financial exclusion leads to social exclusion and this result in failure to access other services such as health and education which then means standard of living of such people is low. Suitable money transfer services are important in accessing other financial services such as credit, savings and insurance and these are key to attaining total financial inclusion Kempson and Collard (2012:3). When an individual is able to access particular financial services, it opens avenues to accessing more financial services as there will be a track record that can be used to extent more services. Consultative Group to Assist the Poor (CGAP) cite Cravnel, Head of the new Brazilian team co-coordinating financial inclusion commented that financial inclusion is beneficial to economic stability, financial system efficiency and effectiveness of monetary policy instruments CGAP, (2013).

2.3. Financial Institutions and Financial Inclusion

Financial Institutions play a significant role in the economy and there should therefore be deliberate effort to facilitate access to financial services for all, through financial inclusion Aduda and Kalunda, (2012). A financial sector which is underdeveloped means lack of basic financial services at the household level and this can limit economic growth and poverty alleviation by increasing costs for poor families who already are in the lower income bands Tovar, (2013). Financial Inclusion is required for financial deepening which refers to the provision of financial services to all levels of society who require them. There should be a wider range of the services from which they can choose and which matches their need.

Financial literacy plays a major role in expanding financial inclusion, therefore the unbanked need to be taught on financial services products, the benefits and how to access them. Financial capability is also important to financial inclusion as it gives the skills and motivation to plan ahead, find information and know when to seek advice Milton (2014:1). Financial Capability is defined by Centre for Financial Inclusion(CFI) as 'the combination of knowledge, skills, attitudes and behaviours that translate into sound financial decisions and correct use of financial services' CFI, (2013:3) having the ability to manage day–to-day cash, planning for the future and use of financial services. Financial capability is viewed as important particularly for the poor since poor financial decisions can affect the poor badly CFI, (2013: 4).

2.4. Savings

Household savings lead to improved quality of life of a family and they can also invest in assets. Savings for individual households are a safeguard against economic changes brought about by sudden death of bread winner, loss of a job especially in Africa where social services are lacking Du Plessis (2008:10). Wambari (2009:5) concurs that savings help poor people to invest in productive assets such as livestock while loans help expands business ventures. Children are to be encouraged to start saving from a young age so as to develop a saving habit and programmes of saving that are introduced at schools are viewed to be effective Kempson and Collard (2012:5).

When the poor can access financial services and are able to save where they are not tempted to use the money because they have it in the house they are then able to save for causes that can improve their standard of living such as starting small businesses or educating their children and avoiding child labour that perpetuates poverty.

More women in emerging markets often do not have access to financial services and often use the informal channels to save money for supporting their families in the rural areas. They may engage in income generating activities to supplement the incomes of their husbands but the lack of access to formal financial services such as savings and finance often slow their progress.

Mobile money represents an opportunity for social impact through enabling customers' access to services that help them manage their daily lives and livelihoods and is also good for revenue growth GSMA (2013) report. Existing empirical evidence suggest that mobile phone can serve as a tool for economic development in Africa, Aker and Mbiti (2010:224) cited by Asongu (2012:4). Mobile money is viewed as a powerful tool for socio economic development helping with access to financial services GSMA (2014:41). The target market for mobile banking is for the poor unbanked who do not want to pay exorbitant charges for accessing formal financial services.

2.5. Mobile banking Adoption in Different Countries

2.5.1. USA

The consumer and Mobile Financial Services Report, (2013:12) noted that 11 per cent of the population are unbanked while 17 per cent are under banked and 87 per cent of the adult population i.e. 18 years and above has a mobile phone. Mobile payments are developing differently in the US than in other countries due to the fact that there is a well performing electronic payments system and most people had long moved from using cash to using plastic cards, therefore the adoption of mobile payments is sluggish Wash Tech and Arts (2013:445). As such one can see that mobile banking is less for access in USA compared to developing countries. The consumer and Mobile Financial Services Report, (2013:19) note that mobile phones have also been used to control personal finances and tracking spending as users check account balances and available credit and can receive low balance alerts and credit balance alerts among other alert messages.

2.6. Latin America and the Caribbean (LAC)

2.6.1. Mexico

The National Financial Inclusion survey of 2013 reported lack of access and use of formal financial services. In an effort to address financial exclusion Mexico created regulation through circular 26/2009 for opening of mobile accounts which most of the people were interested in. The drawback was the use of low cost mobile devices by the target population which did not have capacities to perform bank related tasks. There has been a growing uptake of mobile services in LAC with Mexico, Brazil and Chile showing the lead KPMG (2015:16).

2.6.2. Brazil

Initially the Central Bank of Brazil introduced simplified bank accounts in 1999 to address financial exclusion. Banks contacted with banking correspondents to provide basic banking services. The banking correspondents were expected to modernise its structure to incorporate mobile devices which were already being used by the poor and underserved for communication purposes. Focus was on using new technologies for financial inclusion and mobile banking provides an opportunity for telecom companies and banks Frederick de Mariz (2013). The KPMG report (2015:16) notes that Brazilians are already using mobile phones more than other banking modes such as bank branches and call centres to access statements and account balances. Although the LAC region has been slow in adopting mobile banking Brazil is one of the countries in LAC that has had the fastest growing uptake of mobile banking. Nearly 40 per cent of Brazilians lack access to bank accounts CGAP, (2012). The mobile banking service may be the answer to the challenge of having huge populations unable to access to banking services.

2.6.3. Europe

In Europe, demand for mobile banking is rising steadily with Turkey recording the highest percentage of mobile banking users across Europe (Daily News 10.4.2015). In the Forrester research (May 2014) it was estimated that there were 51 million mobile banking customers in Europe in 2013 made up of 42 million mobile phone banking customers and 19 million tablet banking users Global Mobile Statistics (2014).

Most people who banked via mobile banking reported being more in control of their money as they are able to check their account status more often are also able ensure that bills are paid on time and avoid being overdrawn

2.6.4. India

India is acknowledged as one of the fastest growing mobile markets the world over with the largest number of mobile network operators where it has twelve (12) with about 894 million subscribers Dhiwan, (2013). He further cites Reserve Bank of India (RBI) data source that there is close to 145 million families without access to formal bank accounts. There is one bank branch per 14 000 people which clearly indicates that the market has need of a way to bank the un-banked http://www.nextbillion.net/blogpost.aspx?blogid=3651#!

Watkins, Shorebank International project manager for Bkash in Bangladesh, in a survey by Microsave commented that focusing on customer needs helps with acceptance and customers should be allowed to decide what the product can offer successfully as this will increase the product's chances of success. She further argues that m- banking promotion in Bangladesh is premised on customer led model as opposed to the bank led model as the aim is to have people see how they can benefit from the product and what they want rather than pushing a product down.

2.6.5. Australia

Mobile money has not yet presented a strong compelling case in Australia and other advanced economies but this does not mean that mobile payments are not relevant comments Flood et al, (2013). Issues of financial exclusion are very different from other nations as people without basic bank accounts are quite small compared to those in developing nations. Lessons to learn from Australia and the way they tried to tackle financial exclusion include focus on financial literacy and consumer protection where the creation of the Financial Literacy Foundation and the Understanding Money educational campaign was done and the consumer credit code was strengthened Lu, (2011).

2.6.6. Africa

Africa has had slow progress in providing infrastructure necessary for the provision of financial services to the remote areas. The lack of electricity, inaccessible roads and lack of communication network affected the accessibility of financial services. The spread of mobile phones in Africa has been phenomenal. The mobile phone plugged a gap that existed in Africa where there were no landlines for communication due to the underdeveloped infrastructure in Africa. Africa was struggling with access to formal financial services as is revealed in the many studies that indicate larger numbers of people are unbanked in Africa. Comninos et al., (2008: 1) also noted that there appears to be 'access gap' for developing countries in terms of access to financial services.

A World Bank study also reveals that 16 per cent of people in sub-Sahara Africa have made a financial transaction via mobile phone in the past year while in every other region in the world, that number is smaller than 10 per cent World Bank (2014). Usage in the thirteen countries in Sub Saharan Africa that include Cote d'Ivore, Somalia, Tanzania, Uganda and Zimbabwe exceed 10 per cent World Bank Report (2014).

2.6.7. Kenya

There was low penetration of conventional banking evidenced by 1.5 bank branches per 100,000 people in Kenya at the launch of M-Pesa and one Automated Teller Machine (ATM) per 100,000 people. Of the 35 million potential customers in Kenya only 19% had bank accounts mainly due to lack of financial service provision. Mobile banking was introduced in 2007 by Safaricom and this became the first mobile operator in Africa. M-Pesa processed KSh405bn ($4.94bn) for about 9 million customers by mid-2010 as reported in the African Business Magazine, November (2010). From the launch of M-Pesa in 2007 the service reached 5 000 people in two years which was more than the traditional banks customers combined. M-Pesa had 8.5 million customers by November 2009, served by 12 000 agents throughout Kenya which grew to some 9 million in January 2010.

2.7. Mobile Banking and Unlocking Economic Potential

The mobile phone has provided an affordable way of extending financial services to the unbanked. Mobile money is regarded as a powerful tool for socio economic development, contributing to financial inclusion and assisting with access to basic financial services GSMA (2014). An experiment done in 2007 in Kenya, on the disbursement and repayment of small loans via the mobile phone and it became a financial reality Mwangi (2014:44). Therefore, using the mobile phone to disburse and make repayment of the small loans can be used and SMS alerts can be send on the mobile phone to remind the borrowers to make the repayments on due dates. When transaction costs are lowered demand for financial services is expected to increase and the services may assist the users to manage their finances and access finance.

Access to savings accounts, credit or remittances can help families afford essential services like water, electricity, housing, education and health care. Financial exclusion leads to social exclusion and according to Kempton et al., (2000) cited by Aduda and Kalunda (2012:97) social exclusion has clear links with poverty. Access to finance is generally known as key to development as it provides stability and opportunities to families and businesses, assisting in building assets and in investments in income generating projects. The projects that the people start can sustain their families and can grow if supported and become a source of income.

2.8. Poverty Alleviation

Access to a well-functioning financial system reduces income disparities and poverty and enables economically and socially excluded people to integrate better into the economy, contribute to development and protect themselves against economic shocks Nalini and Marriappan, (2012), Serrao et al, (2012) cited by Aduda and Kalunda, (2012:107). In emerging economies particularly in Africa there are no strong social security systems to support the socially disadvantaged and when events such as the death of a bread winner or loss of a job happen the family is further driven into poverty. Failure to smooth consumption during unforeseen events causes poor households in financially underdeveloped economies to make sub optimal choices Aggarwal and Klapper, (2013). Such choices include getting expensive finance from the informal systems to meet the unexpected loss of income and this leads them to be over indebted as they get more and more debt.

The key research question that the study will address is: what is the government policy that can facilitate banking the unbanked through mobile banking in Zimbabwe? Other questions are; why are appropriate guidelines for practitioners to bank the unbanked through mobile banking necessary? what attitudes of the unbanked affect their choice of a banking product like mobile banking in accessing banking services? What training and development is required to bank the unbanked?

Having a model developed on the appropriate policy will assist in designing guidelines for practitioners which will contribute to extending accessible, affordable financial services to the unbanked. The objectives are to develop the appropriate policy that can allow financial inclusion and empowerment, to develop appropriate guidelines to bank the unbanked for the banking practitioners, to establish the effectiveness of mobile banking in extending financial services to the currently unbanked

The primary research method was the Case Study method as it enabled the researcher to have insights gained from the study of the cases selected. Three commercial banks were selected in this study comparative case study to understand a real-life phenomenon and have in-depth knowledge of extending financial services to the unbanked. In this qualitative study a purposeful sample which consisted of two senior bank managers in e- banking from each of the selected banks, one senior manager from each of the three-mobile network operating companies, three senior managers representing policy makers, five potential bank clients and two focus groups was used. Semi structured interviews were used for the senior bank managers, the policy makers and an interview guide were used for MNO managers and unstructured interviews were held with the five potential bank customers. A self-developed survey questionnaire was also administered to 358 potential bank customers with open ended and some closed questions. Initially 400 questionnaires were rolled out. The potential bank clients were from high density areas and a rural area where most unbanked people live. Observation, and document analysis was also used in data collection. The questionnaire was initially pilot tested with a convenient sample and necessary adjustments were affected to some questions to make them unambiguous. The pilot test was meant to ensure that the questions were able to elicit the information that was needed and relevant to answer the research questions. Necessary adjustments were made to ambiguous questions before the questions were administered to the participants. In order to protect participants from any harm, full explanations were given to each participant about the purpose and procedure of the interview and that the participation was voluntary. It was explained that confidentiality of any details provided in the interview and anonymity would be maintained. The participants were asked to complete a consent form by way of tick if they agreed to participate in the interview.

3. Data Analysis

Collected data was analyzed for emerging themes. The interview notes were read several times and statements and phrases that kept coming up in the different interviews were marked by colored pencils and categorized and eventually put into themes. Judgment was exercised and selection made of what was significant and of interest to the research Seidman (2006:118). The process was repeated four times until six themes remained that were identified as key to mobile banking and banking the unbanked and care was taken not to force participants' words into themes. On the questionnaire a matrix was created where the horizontal axis represented the questions that were on the questionnaire while the pseudo names of respondents were on the vertical axis. The answer of the respondent was placed in a square that aligned to the question. The responses were analyzed and similar responses were put together. There were 102 categories initially from the responses given by the participants and these were condensed to 63 categories and further to 22 categories, then 12 categories and finally 6 categories. The six categories from the questionnaires and the six themes that emerged from the transcripts were further compared and some of the issues were similar and these were consolidated. The themes were appropriate mobile banking policy, building lost confidence with banks, financial literacy and capability, Customer focus on product development, Affordable products, accessibility of suitable financial products and poverty alleviation and empowerment.

3.1. Research Findings

The findings from the participants interviewed were interesting and informative.

Participant banks were asked of their view regarding policy that relates to banking the un banked and provided the following responses;

- Respondent bank 2: 'Mobile phones have transformed lives of smallholder farmers in other parts of the world and similarly this could help as an empowerment tool in Zimbabwe for those who are economically marginalized'
- What is the appropriate financial services model for banking the unbanked in Zimbabwe?
- Respondent Bank 2 'Mobile banking is a good idea not only for the unbanked but extending service to the under banked, but a good model is key to its success. The Mohamed Yunus approach to dealing with the un-bankable sections of the bottom of the pyramid would go a long way in ensuring financial inclusion'
- Respondent bank 2: 'mobile banking is widely available and accessible and as a bank we are excited because it is now possible to offer financial services to the unbanked at a much lower cost than was the case with brick and mortar bank branches. The lower end of the market deserves to be banked. It is a great feeling indeed that we can extend banking services to the lower end of the market'
- Most of the participants had no confidence with the banking system as they indicated that they had suffered loss when the money in their bank accounts was written down to zero during the hyperinflation era.
- Respondent 4; 'I lost savings after dollarization and feel banks are not stable'.

- Respondent 8; 'due to insecurities caused by past bank disturbances when banks were closed by the Reserve bank and placed under curatorship, we were unable to access our funds for a long time. I would not want a repeat of this. When I needed my money, I could not access it'.
- Respondent 16: 'I lost my life savings in bank accounts I had with certain banks and as a result I lost my confidence with the banking system'
- Confidence building is important if the intended population is going to view banking positively especially after the hyperinflation period of 2007-2009 when most people who held bank accounts woke up with zero balances in their bank accounts after the policy makers decided to write down all bank balances to zero dollars to control inflation as they introduced a new currency.
- The following were some of the responses that were provided by the participants on a question to assess the participants' knowledge about banking and bank products
- Respondent 6: 'I think banks are for those who are formally employed. I receive my money in cash'.
- Respondent 53: 'I am informally employed and do business on cash basis and don't see the need for a bank account'. Respondent 19: 'I get paid cash for my products and there is no benefit in banking the money because it does not earn any interest, it's better to spin the money'.
- Respondent 33; 'the banks should come to the rural areas and give seminars about their products'.
- Knowledge of the banking products and processes will encourage the non- banked to seek use of formal financial services. From the responses of the participants one can conclude that they lack knowledge of the bank products and processes. Some think that since they handle cash only in their businesses they do not need banks. Rural customers tend to be more brands loyal but require more training and interaction than their urban counterparts GSMA report (2014:29). As such training will help most of the unbanked to appreciate the need for accessing formal financial service providers and the benefits of doing that,
- On the questions to understand the guidelines for bank practitioners and cost structures of the banks the following were some of the responses provided by the participants
- Respondent 1: 'high bank charges erode my savings.... I expect my deposit to at least earn some interest but when I deposit my money and find that bank charges eat into my deposit and I end up getting less than the amount I deposited I am not pleased'
- Respondent 2: 'banks should not erode our money through excessive bank charges and should pay interest on savings'
- Respondent 215: 'It is very difficult to open a bank account with the banks due to the stringent rules and regulations they have' This discourages me as I do not have the documents they require such as bill payment as proof of residence, or a pay slip as I am self-employed'.
- Respondent 25 'It's taxing to open a bank account these days'
- Respondent 27: 'the requirements to open a bank account is difficult'
- Respondent 36 „the requirements for opening a bank account are strict and difficult
- World Bank (2014:42) reports that 12 per cent of bank account holders the world over indicated that they use other means other than bank accounts to save due to high bank charges and costs of travel to go to the bank branches. Despite, such factors that deter people from using formal financial services the unbanked and under banked have found alternative ways to access financial services which are informal, insecure and expensive. Technology could be a way of offering formal financial services to the unbanked at an affordable cost. When people are able to save their quality of life also improves as savings help the poor to invest in productive assets such as Livestock Wambari (2009:5).

3.2. The Summary of Findings

- There is no clear policy framework regarding mobile banking and financial inclusion. The policy needs have permissive regulation that protects consumers without stifling innovation.t
- There are no appropriate guidelines for bank practitioners for banking the unbanked though mobile banking
- There has been a high mobile phone penetration in Zimbabwe and financial institutions can ride on the infrastructure of mobile phones to extend financial services to the unbanked as the mobile phone has been experienced with other countries with high mobile phone penetration
- There are particular attitudes that affect the choice of mobile banking in accessing financial services by the unbanked which need to be addressed in mobile banking adoption. These include confidence with the banking system, the ease with which the mobile banking can be used, the security and safety of the customers' money.
- Zimbabwe is working towards achieving sustainable growth and social development based on indigenization, empowerment and job creation through Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET) a blue print aimed at national development.
- Training and development is important to extending financial services through mobile banking for the unbanked.

- There is no appropriate financial services model for the practitioners for banking the unbanked through mobile banking.

The study was limited to the bottom of the economic pyramid and some of them preferred to have the interviews in the local language so that they could confidently express themselves as they related their experiences. The responses were later translated into English and some of the responses may have lost their impact through translation although I tried to translate as accurately as was possible. Initially I wanted to interview the chief executive officers of the banks but I was referred to the senior managers responsible for e- banking and feelings and experiences that I then worked with are not of the people at the apex of the banking organisations but of senior e-bank managers representing their institutions. The personal opinions of the chief executive officers and the senior managers may be different.

Mobile banking has revolutionized the ecosystem of banking and the unbanked can have access to financial services through the mobile phone at an affordable cost. Mobile banking has the potential to extend financial services to previously unbanked people as most unbanked people have mobile phones. Access to financial services helps the poor to plan and budget their day to day finances and to save for unforeseen shocks such as death of a breadwinner which may plunge families into poverty. The unbanked need access to financial services as has been revealed by the study that they use informal financial services which are accessible though they are costly and riskier.

4. Recommendations

Framework for policy makers and guidelines for practitioners on the Role of Mobile Banking: An Empowerment Perspective was developed and recommendations were made. The recommendations for policy framework for mobile banking include;

- Permissive and appropriate policy framework that, allows innovation while protecting consumers.
- Creation of employment which is essential in driving demand for mobile banking
- Financial literacy and capability
- Government involvement and commitment
- Innovation and creativity support
- Healthy Partnerships by stakeholders
- Practitioners role

The recommendations for banking practitioners' guidelines include:

- Pricing –affordable pricing of financial products
- Empowerment- poverty can be reduced through access to financial services by the marginalised
- Relevance- financial institutions need to be relevant to the communities they serve
- Fit for purpose –the bank products should address the needs of the target market e.g. inexpensive basic bank accounts
- Transformation-mobile phone has brought transformation in retail banking and banking can be via the mobile phone.
- Customer focus-financial institutions need to have customer focus and provide products the customer wants.

4.1. Prospects for further Research

This study was a qualitative study and was more inclined to develop theory than to test it. Further study is recommended using the quantitative technique to test the impact of mobile banking to bank the unbanked in Zimbabwe This study was done in an environment where most of the unbanked are self-employed or unemployed in the face of the harsh economic conditions facing Zimbabwe. Further study can be done where the unbanked are in formal jobs and have a regular income as some studies have indicated that employment plays a key role in the demand and use of financial services. Further research can also be on the relationship of access to loans using mobile banking and using the ability of the mobile facility to be a channel for repayments at an affordable cost and the effect on empowerment of the unbanked as the cost structures through mobile banking cascade to the consumers. The impact of financial education and financial capability on the unbanked in Zimbabwe and the influence of culture on the adoption of mobile banking in Zimbabwe can also be studied.

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