

Is the success of M-Pesa empowering Kenyan rural women?

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M-Pesa (“M” for mobile, *pesa* is Swahili for money) is one of the most celebrated success stories in information and communication technologies (ICTs) allowing poor communities to access a revolutionary bank service. The mobile phone allows immediate money transfers from town to village and vice versa with consequence on time and money savings, rapid solutions to daily problems affecting vulnerable communities, opening up to new ways of managing the cash flows of those whose lives can be improved with very small amounts. At the national level, this technology revolution touches the lives of nearly 70% of Kenyan adults who transfer money to each other via their mobile phones. Kenya ranks number one worldwide in that domain. More than US\$320 million is transferred via Kenyan mobile phones each month and this represents roughly a quarter of Kenya’s gross national product (GNP). Cash payments are avoided and posters in shops indicate preference for payments via mobile banking.

Numerous videos posted on YouTube show happy rural women using M-Pesa, an illustration of how the change crosses all categories of the population, particularly women who are often left aside by positive technological improvements in Africa. The phenomenon has caught the attention of researchers with an interest in the position of women in the rural economy in sub-Saharan Africa. Furthermore, Danielle White’s paper “The Social and Economic Impact of M-Pesa on the Lives of Women in the Fishing Industry on Lake Victoria” (2012) presents an interesting case.

The study targeted communities in Migori County, located on the Kenyan side of Lake Victoria, a population of 1 028 579, relying mostly on fishing in the lake for their source of income. In these communities, the social roles in the artisanal fishing value chain are defined as follow: fishing is considered a

job solely for men. Women may own their own boats but will never partake in fishing. Mostly women do processing and trading, but men are also allowed to partake in this business.

For White, the adoption of M-Pesa has brought significant positive changes for the women.

Firstly, many women now have the ability to save their money in a safe place. They stated that they were much less likely to use their money when they saved it in M-Pesa rather than in their homes. Also, in the past, their husbands often used their money to buy alcohol or other personal items and left them with no money to be able to process fish the following day. With their money saved with M-Pesa, their husbands no longer have easy access to their money. Women now have the ability to save for more costly activities and purchases, helping their families or expanding their business and more importantly, sending their children to school.

Transportation expenses have drastically gone down. This includes the costs of transport and the money the women save since they would have to stop working for a period of time to physically transport the money themselves. They use their money and free time to expand their business and make a greater profit. This most often meant women being able to process more fish to sell, or, for the most audacious, construct their own fishing boats and yield an even greater profit.

White emphasises the case of a college-educated women, very involved in her community. Using M-Pesa allowed her to have better gains and more “free time and since she was well educated and fluent in Kiswahili, Dholuo, and English, she was able to attend different conferences, meetings, and trainings in the area. Not only did she often make a small profit by attending these events, but also she was able to use the knowledge she gained there in her own community. As a local leader, she is experienced in topics from maternal health, to female empowerment, to business strategies and shares her knowledge with the local community” (p.18). The use of M-Pesa makes women more independent (81% of interviewees); they no longer have to rely on others for money.

M-Pesa has changed relations between men and women with more trust between fishermen and processors. Women are saving using M-Pesa and are able to pay for the quantity of fish they take rather than taking on credit.

Gain of confidence among the women of this fishing community is illustrated by the fact that after discovering the multiple benefits of M-Pesa, many women now consider accessing more financial services including a bank account. They see the benefits of combining a bank account for their savings and M-Pesa for keeping small amounts and transactions. Many formal banks offer this option in the very responsive Kenyan banking system. The positive impact of M-Pesa on the women of this Luo fishing community cannot be refuted. As White concludes very correctly, “The study could also be expanded to research the impact of M-Pesa in industries other than the fishing industry.”

Morawczynski and Pickens (2009) see women in the position of “rural recipients” in the use of M-Pesa, as opposed to the “urban senders” who are men. The study in Kibera, an informal settlement near Nairobi, gathering more than one million migrants from rural areas, and Bukura a village where recipients of money transfers sent from Kibera via M-Pesa live.

“In Kibera, a majority of customers are young men. Customers deposit money into M-Pesa and transfer money to their rural relatives. In Bukura, a majority of customers are women and retirees” (2009: 1). The two researchers have a surprising understanding of the empowerment of women by mobile banking:

M-Pesa empowers rural women by making it easier for them to solicit funds from their husbands and other contacts in the city. The mobile phone, in conjunction with M-Pesa, is a powerful tool for mobilizing remittances. Before these technologies were introduced, rural women had to travel to the city or post office by bus to get money. They then had to travel back to the village. This process could take over a week. Now they can use a mobile phone to request a remittance and receive it at a nearby agent, making it easier for rural women to solicit funds from their husbands in the city. It is also easier for them to solicit cash from other contacts when their husbands refuse to make the transfers. This has increased the financial autonomy of the women and has made them less dependent on their husbands for their livelihoods. (2009: 3–4)

Given the rapid development of mobile money solutions, soliciting funds from husbands in the cities makes it impossible for husbands to have an excuse for not sending money when a family member informs them of the need. People know that services are available everywhere.

In the past, it was not rare that women give their money to their husband

to keep for them. Some husbands would return it when they requested it, others would not. M-Pesa is a saving system that gives women the choice of managing their money independently.

It might be convenient to have a good tool to make it easier to solicit funds, but I don't share the view that it empowers rural women. This is because money that women get just by soliciting it, cannot empower women because the person you solicit from may or may not give it. Empowerment has more to do with a training, a loan, or any other opportunity to earn and manage money differently. Plyler *et al* in their publication "Community-Level Economic Effects of M-Pesa in Kenya: Initial Findings" (2010) focus on economic effects at the community level. The survey was conducted in two districts (Murang'a and Kitui) with a large percentage of the population in rural areas and a town centre and also in Kibera, the slum close to Nairobi.

Their findings show that women rank number one in improved money security. With M-Pesa, they can accumulate cash and keep it secure from pickpockets, but also from their husbands. The gain in privacy and control on their expenses is very important.

Also, rural women are more concerned with food security than rural men, but urban men place more importance in it than urban women. This is because women and men have different roles in ensuring that the family is fed. Rural women bear the responsibility of feeding the family; they will produce subsistence crops while men will produce cash crops. The men in urban zones who migrated to find jobs in town usually send most of what they earn to families in the villages and are more numerous than women who migrate from rural zones to cities for the same reasons.

This feature is directly linked to the increased money circulation and expansion of local markets observed since the adoption of M-Pesa. Men and women view health and education as areas where M-Pesa has significantly increased human capital accumulation. This is largely because M-Pesa creates conditions for improving networking and circulation of cash from urban to rural areas which allows for new opportunities in addressing education and health issues.

M-Pesa doesn't only have advantages: the researchers mention that women business owners said that while M-Pesa saved them money by allowing them to send payments directly to their suppliers instead of traveling to Nairobi or another city, it also reduced their control of the quality of goods delivered.

The researchers acknowledge the need for additional investigation to better assess the impact of M-Pesa on food and water security seen as key elements of sustainable community level development.

The review of this sample of publications clearly provides some answers to my initial questions on how M-Pesa increases the empowerment of rural women in the following areas:

- New acquisition of skills
- Control of cash making a difference in their relations with the men
- Capacity of women to voice their specific needs that M-Pesa can solve
- New striking opportunities created for women by M-Pesa

These categories are consistent with the five domains selected by the United States Agency for International Development (USAID) the International Food Policy Research Institute (IFPRI) and Oxford Poverty and Human Development Initiative for the Women's Empowerment in Agriculture Index (WAIE).

The categories of the WAIE are:

- Production (input in productive decisions, autonomy in production)
- Resources (ownership of assets, purchase, sale, or transfer of assets, access to and decisions on credit)
- Income (control over use of income)
- Leadership (group member, speaking in public)
- Time (workload, leisure)

Yes, M-Pesa has shown a tremendous potential to allow rural women to satisfy the criteria of the WAIE and be sustainably empowered, but we need more research to measure more accurately this potential and assess the gaps. This knowledge would provide a solid basis for the design of new field projects using M-Pesa with a distinctive objective of empowering rural women.

Research in Kenya and other African countries where mobile banking is developing rapidly in rural areas should be strongly encouraged to go deeper in the topic and provide a solid base for identifying the real advantages (and possible disadvantages) of the mobile banking revolution on the socio-economic conditions of rural women. Such an appeal targets Universities with Agriculture and Gender programmes, CGIAR Research Centres or service providers, for example International Food Policy Institute, IFPRI, and African Women in Agricultural Research and Development (AWARD).

References

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