MOBILE MONEY-ENABLED INTERNATIONAL REMITTANCES AND FINANCIAL INCLUSION AMONG ZIMBABWEAN MIGRANTS IN THE UNITED KINGDOM

Alois Itayi NYANHETE
BCom (Hons), MSc

Thesis submitted for the Degree of Doctor of Philosophy in International Development and Public Policy

Department of Social Policy and Criminology

Faculty of Arts and Social Sciences

The Open University, United Kingdom

July 2023
Abstract

Mobile money remittances have been effective in providing financial services to some previously unbanked groups. While much research has been done on domestic mobile money remittances, very little research has been done on the rapidly growing international dimension of mobile money remittances. This study contributes to filling the gap in knowledge by asking: Do mobile money-enabled international remittances (MIR) improve financial inclusion among the senders of remittances? Building on literatures on financial inclusion, financial capability and transnational family care, the study develops an expanded conceptualisation of financial inclusion that encompasses a socio-culturally sensitive analysis of access to and use of financial services as well as financial capability, and furthermore recognises the importance of digital financial services in achieving financial inclusion.

The study employed a mixed methods design and data were collected through an online survey (n=347) and semi-structured telephone interviews (n=23) conducted with Zimbabwean migrants in the UK. The investigation was supplemented by evidence from the analysis of secondary data from WorldRemit, a UK-based remittance service provider, relating to MIR sent by their customers to Zimbabwe. Analysis of variance tests, Pearson chi-square tests and Joinpoint regression analysis were employed to analyse the quantitative data, while theoretical thematic analysis was applied to interpret the qualitative data.

The investigation found that the benefits of using MIR included greater convenience, accessibility and security for users. However, the study did not find any effects on the financial capabilities of remittance-senders that could be directly attributed to using MIR. Nonetheless, focusing the investigation on the effects of remitting on the financial capabilities of the senders of remittances rather than the recipients generated new evidence that extends the body of literature on remittances and financial inclusion which overwhelmingly focuses on the recipients of remittances.

Macroeconomic challenges, government regulatory policies and market conditions in Zimbabwe negatively affected the use of MIR to send remittances by the senders who participated in the study. Cash-out fees that were charged when the recipients of MIR in Zimbabwe withdrew remittances from their mobile money wallets and a tax...
that was levied on MIR and other electronic money transfers by the Zimbabwean government made it more attractive for the remittance-senders to transfer remittances through cash-based methods instead of MIR. The existence of these additional costs incurred by users of MIR challenges the claims made by some proponents of digital financial inclusion that digital remittance services cost less than cash-based services.

The study thus demonstrated how the use of MIR to transfer remittances by remittance-senders is influenced by the macroeconomic and regulatory environment in the country they are sending MIR to. If the environment is conducive, then there may be more use of MIR in sending remittances and hence greater potential for MIR to promote financial inclusion. However, if the conditions are less favourable, then the benefits of using MIR could be eroded by the drawbacks that arise from the poor conditions in the receiving country, and the contextual factors could eventually become major constraints that compromise the positive effects of MIR in promoting financial inclusion.
Acknowledgements

I would like to first and foremost thank my research supervisors Prof. Nicola Yeates, Dr. Ben Lampert, and Dr. Cristina Santos for their unwavering support throughout the study. This was a very challenging journey, but they remained positive and still believed the study could be completed against all odds. In addition, I would also like to thank my third-party monitors Dr. William Brown and Dr. Julius Mugwagwa for supporting me through the study.

Second, I would like to express my gratitude to The Open University International Development and Inclusive Innovation Strategic Research Area, the PostGraduate Office, and the Graduate School for providing the funding for my study.

Third, I would like to thank WorldRemit Ltd for providing secondary market data that I analysed as part of the study. Furthermore, I would like to also thank all the respondents who participated in the study.

Fourth, my sincere gratitude also goes to the examiners of my thesis, Prof. Thankom Arun and Prof. Dinar Kale for their constructive comments, as well as the viva Chair, Prof. Theo Papaioannou, for organising the viva.

Finally, I would like to acknowledge the support from family, friends, and other colleagues at The Open University who helped and encouraged me during the study. To my family – thank you for staying by my side. To Tim and Helen Cutting and family – thank you for welcoming me to Milton Keynes and helping me settle down in the new place. To the lovely Zimbabwean families I met in Milton Keynes – the Gatawa, Chomuzinda, Majakwara, Dube, and Munyama families – you have become family; thank you for the support. I would moreover like to express my gratitude to my friend Michael Machokoto in Northampton for his steadfast support.

The Open University has blessed me with good friends, and I am glad to have met such wonderful people at this institution. To my OU friends – Frangton, Andrew, Esubalew, Dame, Fred, Ariane, Sarah, Evgenia, Dionysia, and Xiarong – thank you all for the support.

I dedicate this thesis to my late mother Susan Nyanjowa Nyanhete.
# Table of Contents

Abstract ............................................................................................................................................... 1

Acknowledgements .............................................................................................................................. 3

List of abbreviations and acronyms ..................................................................................................... 9

List of Tables ......................................................................................................................................... 11

List of Figures ....................................................................................................................................... 13

Chapter 1: Introduction ....................................................................................................................... 14
  1.1 Remittances and financial inclusion ............................................................................................... 14
  1.2 Background to mobile money services ......................................................................................... 16
    1.2.1 Introducing mobile money-enabled international remittances .............................................. 20
    1.2.2 Market structure and regulatory implications of MIR ........................................................... 23
  1.3 Meanings of and perspectives on financial inclusion .................................................................... 28
  1.4 Aim of the research and research questions .............................................................................. 31
  1.5 Contextualisation of the study ...................................................................................................... 32
  1.6 Summary of findings ..................................................................................................................... 34
  1.7 Contributions of the study ............................................................................................................. 36
  1.8 Significance of the study ................................................................................................................. 37
  1.9 The structure of the thesis .............................................................................................................. 38

Chapter 2: Literature review and context of study .............................................................................. 41
  2.0 Introduction .................................................................................................................................... 41
  2.1 MIR: State of the art ....................................................................................................................... 42
  2.2 Mobile money and digital financial inclusion ............................................................................... 45
    2.2.1 The politics of digital financial inclusion ............................................................................... 47
  2.3 MIR and financial capability .......................................................................................................... 51
    2.3.1 Kempson et al.’s (2005) model of financial capability ............................................................. 52
    2.4 MIR, transnational family care, and economic growth ............................................................... 54
      2.4.1 Linking transnational family care to financial inclusion ....................................................... 57
  2.5 The Zimbabwean migrant community in the UK .......................................................................... 59
  2.6 Conclusions .................................................................................................................................... 62

Chapter 3: Theoretical framework ...................................................................................................... 64
  3.0 Introduction .................................................................................................................................... 64
  3.1 The economic importance of financial inclusion ......................................................................... 64
  3.2 Conceptualisation of financial inclusion and theoretical models applied ..................................... 68
  3.3 Examining financial capability ..................................................................................................... 70
    3.3.1 Kempson et al.’s (2005) model of financial capability ............................................................. 70
    3.3.2 Evaluation of appropriateness of Kempson et al.’s (2005) model for the research ............... 72
3.3.3 Application of Kempson et al.’s (2005) model in the research ........................................ 75
3.4 Examining the use of MIR .................................................................................................. 75
3.4.1 Technology acceptance model (TAM) by Davis (1986) .................................................. 75
3.4.2 Social benefits of microfinance framework for outreach by Schreiner (2002) .......... 78
3.4.3 Evaluation of appropriateness of Schreiner’s (2002) model for the research .......... 80
3.4.4 Adapting Schreiner’s (2002) model for application in the research ....................... 82
3.5 Perspectives from Behavioural economics ...................................................................... 83
3.6 Perspectives from Personal finance ................................................................................ 86
3.6.1 The Permanent income hypothesis ............................................................................. 87
3.6.2 The Life-cycle hypothesis .......................................................................................... 88
3.6.3 The Behavioral life-cycle hypothesis .......................................................................... 88
3.7 Conclusions .................................................................................................................... 90
Chapter 4: Research methodology ......................................................................................... 92
4.0 Introduction ....................................................................................................................... 92
4.1 Research paradigm .......................................................................................................... 92
4.1.1 Epistemological perspectives ...................................................................................... 94
4.1.2 Ontological perspectives ............................................................................................ 95
4.1.3 Axiological perspectives ............................................................................................. 96
4.1.4 Methods and logic ....................................................................................................... 96
4.2 Research design ............................................................................................................... 97
4.3 Sampling methods ........................................................................................................... 99
4.4 Fieldwork ......................................................................................................................... 99
4.4.1 Online survey ............................................................................................................... 102
4.4.2 Semi-structured telephone interviews ...................................................................... 106
4.4.3 Collection of secondary data ..................................................................................... 109
4.5 Data collection instruments ............................................................................................. 110
4.5.1 Research ethics and consent ....................................................................................... 112
4.6 Description of research participants ............................................................................. 113
4.6.1 Description of online survey respondents ................................................................ 113
4.6.2 Description of semi-structured interview participants ................................................. 116
4.7 Data analysis .................................................................................................................... 118
4.7.1 Analysis of quantitative data ....................................................................................... 118
4.7.2 Analysis of data from semi-structured interviews ...................................................... 120
4.7.3 Presentation of findings in thesis ............................................................................... 121
4.7.4 Research data management ....................................................................................... 122
4.8 Limitations of the study .................................................................................................. 122
4.8.1 Researcher positionality ............................................................................................ 124
Chapter 5: Outreach of mobile money-enabled international remittances

5.0 Introduction ........................................................................................................................................... 128

5.1 Financial inclusion and outreach ........................................................................................................... 129

5.2 Application of Schreiner’s aspect of breadth ......................................................................................... 130

5.3 Application of Schreiner’s aspect of worth ............................................................................................ 132

  5.3.1 Positive worth ..................................................................................................................................... 132

  5.3.2 Negative worth ................................................................................................................................... 136

  5.3.3 Examining ‘worth of outreach’ through trend analysis of WorldRemit data for MIR transactions ......................................................................................................................... 138

  5.3.4 Joinpoint regression analysis of MIR/EcoCash transactions ................................................................... 140

5.4 Application of Schreiner’s aspect of depth ............................................................................................. 147

  5.4.1 Sending or receiving remittances by women ....................................................................................... 151

  5.4.2 Sending remittances to rural areas in Zimbabwe ................................................................................. 154

5.5 Application of Schreiner’s aspect of cost ............................................................................................... 157

  5.5.1 Price costs ......................................................................................................................................... 157

  5.5.2 Transaction costs ................................................................................................................................. 160

5.6 Conclusions ............................................................................................................................................. 163

Chapter 6: Mobile money-enabled international remittances, Transnational family care, and Financial inclusion

6.0 Introduction ............................................................................................................................................. 165

6.1 MIR, financial inclusion, and social relations ......................................................................................... 166

6.2 Remittances as an expression of care .................................................................................................... 168

6.3 Experiences of remitting through MIR.................................................................................................. 183

6.4 MIR and reverse remittances ................................................................................................................ 186

6.5 MIR and intra-diasporic remittances ..................................................................................................... 191

6.6 MIR and the use of other digital financial services .............................................................................. 193

  6.6.1 The association between MIR and the use of other digital financial services ................................. 194

  6.6.2 Examining the association between the use of MIR and the use of other digital financial services ................................................................................................................................. 196

6.7 Conclusions ........................................................................................................................................... 199

Chapter 7: Mobile money-enabled international remittances and financial capabilities of senders of remittances

7.0 Introduction ........................................................................................................................................... 202

7.1 Respondents’ self-evaluations of financial capability ........................................................................... 204

7.2 The effects of sending remittances on the financial capabilities of the interviewees ...................... 205

7.3 Effects of sending remittances on managing money ........................................................................... 207

  7.3.1 Budgeting ........................................................................................................................................ 208
7.3.2 Making ends meet .......................................................... 210
7.4 Effects of sending remittances on planning ahead .................. 212
  7.4.1 Saving ............................................................................ 212
  7.4.2 Making provisions for retirement ...................................... 215
7.5 Effects of sending remittances on choosing products ............... 220
  7.5.1 Understanding price transparency ..................................... 221
  7.5.2 High costs of switching remittance service providers .......... 224
  7.5.3 Recipients’ access to collection points .............................. 225
  7.5.4 Urgency of the transactions ............................................ 226
7.6 Effects of sending remittances on staying informed .................. 228
7.7 Exchanges of financial advice between respondents and relatives at home ............ 230
7.8 Revision of Kempson et al.’s (2005) model of financial capability ........ 232
  7.8.1 Financial knowledge and decision-making ......................... 237
  7.8.2 Digital financial literacy ................................................ 240
7.9 Conclusions ...................................................................... 241
Chapter 8: Conclusions ............................................................ 243
  8.0 Introduction ...................................................................... 243
  8.1 Outreach of MIR ............................................................... 246
  8.2 MIR and use of other digital financial services ....................... 250
  8.3 MIR and financial capability .............................................. 252
  8.4 Zimbabwean social and cultural values that influence sending of MIR ........ 255
  8.5 Implications of the results .................................................. 257
  8.6 Contributions of the study .................................................. 259
  8.6.1 Conceptual contributions ................................................ 259
  8.6.2 Empirical contributions .................................................. 261
  8.7 Recommendations ............................................................ 263
  8.7.1 Recommendations for MIR service providers .................... 263
  8.7.2 Recommendations for public policymakers ......................... 264
  8.8 Future research .................................................................. 266
References .............................................................................. 268
Appendix 2.1: List of MIR services around the world .................... 298
Appendix 4.1: Questionnaire for online survey .............................. 302
Appendix 4.2: Guide for semi-structured interviews ....................... 315
Appendix 4.3: Coding scheme for semi-structured interviews .......... 318
Appendix 4.4: Consent form ...................................................... 320
Appendix 4.5: Approval from OU-HREC ..................................... 322
Appendix 5.1: Combinations of transfer methods used by survey respondents ........ 324
Appendix 5.2: Tests for association between the transfer methods used and sending remittances to rural areas ................................................................. 325
Appendix 6.1: Histogram showing the amount of remittances sent annually ........ 327
Appendix 6.2: Locations of respondents’ relatives in other parts of Zimbabwean diaspora ........................................................................................................ 327
Appendix 7.1: Groups of respondents based on use of MIR ............................... 328
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFI</td>
<td>Alliance for Financial Inclusion</td>
</tr>
<tr>
<td>ANOVA</td>
<td>Analysis of variance</td>
</tr>
<tr>
<td>ATM</td>
<td>Automated teller machine</td>
</tr>
<tr>
<td>ATU</td>
<td>Attitude toward using</td>
</tr>
<tr>
<td>BIS</td>
<td>Bank for International Settlements</td>
</tr>
<tr>
<td>BSSA</td>
<td>Bilateral social security agreement</td>
</tr>
<tr>
<td>COVID-19</td>
<td>Coronavirus disease</td>
</tr>
<tr>
<td>DFL</td>
<td>Digital financial literacy</td>
</tr>
<tr>
<td>Digital FI</td>
<td>Digital financial inclusion</td>
</tr>
<tr>
<td>Email</td>
<td>Electronic mail</td>
</tr>
<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus group discussion</td>
</tr>
<tr>
<td>FinCap_SE</td>
<td>Respondent’s self-evaluation of financial capability</td>
</tr>
<tr>
<td>FINRA</td>
<td>Financial Industry Regulatory Authority (USA)</td>
</tr>
<tr>
<td>FinTech</td>
<td>Financial technology</td>
</tr>
<tr>
<td>FSA</td>
<td>Financial Services Authority (UK)</td>
</tr>
<tr>
<td>GBP</td>
<td>British Pound Sterling</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>GoZ</td>
<td>Government of Zimbabwe</td>
</tr>
<tr>
<td>GSMA</td>
<td>Groupe Speciale Mobile Association</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and communication technology</td>
</tr>
<tr>
<td>ICT4D</td>
<td>Information and communication technology for development</td>
</tr>
<tr>
<td>IDI</td>
<td>Information and communication technology development index</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IMTT</td>
<td>Intermediated money transfer tax</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organisation for Migration</td>
</tr>
<tr>
<td>ITU</td>
<td>International Telecommunication Union</td>
</tr>
<tr>
<td>KYC</td>
<td>Know your customer</td>
</tr>
</tbody>
</table>
LMIC – Low- and middle-income countries
LSD – Least squares differences test
MFI – Microfinance institution
MIR – Mobile money-enabled international remittances
MNO – Mobile network operator
mWallet – Mobile money wallet
NGO – Non-government organisation
OECD – Organisation for Economic Co-operation and Development
PEOU – Perceived ease of use
POS – Point of sale
POTRAZ – Postal and Telecommunications Regulatory Authority of Zimbabwe
PU – Perceived usefulness
RBZ – Reserve Bank of Zimbabwe
RSP – Remittance service provider
RTGS – Real-time gross settlement
SDG – Sustainable development goal
SMS – Short message services
TAM – Technology Acceptance Model
UNCTAD – United Nations Conference on Trade and Development
UNDESA – United Nations Department of Economic and Social Affairs
UNGA – United Nations General Assembly
USD – United States Dollar
USSD – Unstructured supplementary service data
ZimStat – Zimbabwe National Statistics Agency
ZWL – Zimbabwe Dollar
## List of Tables

Table 1.1: Global distribution of MIR services used to send or receive international remittances ................................................................. 24
Table 1.2: Number of active mobile money accounts in Zimbabwe from 2016 to 2020 ....... 33
Table 2.1: Population of Zimbabwean migrants in top ten destination countries in 2015 ..... 61
Table 4.1: Paradigm contrast table comparing constructivism, pragmatism and positivism..94
Table 4.2: Relationship between research sub-questions and data collection methods..... 101
Table 4.3: Education levels of survey respondents .......................................................... 115
Table 4.4: Summary of the attributes of the semi-structured interview participants .........117
Table 5.1: Transfer methods used by survey respondents .............................................. 131
Table 5.2: Hypothesis tests to identify the number of joinpoints for MIR/ Ecocash transactions from January 2016 to October 2017 ................................................................. 141
Table 5.3: Trend estimate if there had been no abrupt change around August to September 2016 ........................................................................................................................................ 142
Table 5.4: Results of one-way ANOVA tests for mean differences in the variables Age, Monthly income, Amount of remittances sent annually, and Frequency of sending remittances annually based on the transfer methods used............................................ 149
Table 5.5: Least Squares Differences Multiple Comparisons ........................................ 149
Table 5.6: Crosstabulation between transfer methods used and the gender of the respondent/sender ........................................................................... 151
Table 5.7: Results of test for association between transfer method used and gender of sender .............................................................................................................. 152
Table 5.8: Crosstabulation between transfer method used and the gender of the recipient in Zimbabwe .................................................................................. 153
Table 5.9: Results of tests for association between transfer method used and gender of recipient .............................................................................................................. 153
Table 5.10: Crosstabulation of respondents’ transfer methods and sending remittances to rural areas .................................................................................. 154
Table 5.11: Location of recipients of MIR in Zimbabwe .................................................. 154
Table 5.12: Results of tests for association between transfer methods and sending remittances to rural areas .............................................................................. 155
Table 6.1: Summary of values of remittances sent by survey respondents annually ........ 169
Table 6.2: Forms of reverse in-kind remittances received by survey respondents .......... 188
Table 6.3: Crosstabulation between use of MIR & receiving reverse in-kind remittances... 189

11
Table 6.4: Results of test for association between use of MIR and receiving reverse in-kind remittances ................................................................. 189
Table 6.5: Crosstabulation between use of MIR & sending intra-diasporic remittances .... 192
Table 6.6: Results of test for association between use of MIR and sending intra-diasporic remittances ........................................................................................................... 192
Table 6.7: Mean additional digital financial services used by survey respondents based on the transfer methods they used ........................................................................ 195
Table 6.8: Results of one-way ANOVA test for mean differences in the additional digital financial services used by respondents based on transfer methods used .................. 195
Table 6.9: Results of Least Squares Difference Post-Hoc test for the mean number of digital financial services used by respondents based on transfer methods used 196
Table 7.1: Effect of sending remittances on budgeting .................................................. 206
Table 7.2: Use of formal credit to send remittances by interviewees .............................. 210
Table 7.3: Effect of sending remittances on saving ....................................................... 212
Table 7.4: Effect of sending remittances on retirement provision ................................. 215
Table 7.5: Effect of sending remittances on choosing products .................................... 221
Table 7.6: Interviewees’ understanding of remittance price transparency ...................... 222
Table 7.7: Effect of sending remittances on following financial issues ......................... 229
Table 7.8: Survey respondents’ conceptualisations of financial capability .................... 234
Table 7.9: Comparison of survey respondents’ conceptualisations of financial capability to Kempson et al.’s (2005) model .............................................................................. 235
List of Figures

Figure 1.1: EcoCash Zimbabwe mobile money service menu.................................................17
Figure 1.2: Growth in mobile money services worldwide....................................................19
Figure 1.3: Illustration of a typical MIR transaction............................................................22
Figure 1.4: Growth in remittances transmitted through MIR globally from 2015 to 2021 ......25
Figure 1.5: Financial inclusion and its component parts.......................................................29
Figure 2.1: The evolution of the concept: from financial literacy to capability..................52
Figure 3.1: The four domains of financial capability by Kempson et al. (2005)...................71
Figure 3.2: Technology Acceptance Model ..........................................................................76
Figure 4.1: Bar chart showing periods respondents migrated from Zimbabwe to the UK...114
Figure 4.2: Bar chart showing ages of survey respondents..................................................115
Figure 4.3: Bar chart showing total net monthly incomes of the survey respondents ........116
Figure 5.1: MIR/EcoCash transactions sent to Zimbabwe through WorldRemit from various
countries worldwide between January 2016 and October 2017......................................139
Figure 5.2: Trend plot for the number of MIR/ EcoCash transactions between January 2016
and October 2017 ..................................................................................................................140
Figure 5.3: Comparison of average costs of cash and digital services for sending remittances
across world regions ..............................................................................................................157
Figure 6.1: Countries respondents received reverse cash remittances from ....................190
Figure 6.2: Digital financial services used by respondents ..................................................194
Figure 7.1 Respondents’ self-evaluations of financial capability arranged in descending order
of frequency ............................................................................................................................205
Figure 7.2: The four domains of financial capability by Kempson et al. (2005) .................233
Figure 7.3: The pilot conceptual model of financial capability Kempson et al. (2005) tested in
their focus group discussions ..............................................................................................236
Figure 8.1: Financial inclusion and its component parts .......................................................243
Figure 8.2: Extended conceptual model of financial inclusion ............................................245
Chapter 1: Introduction

1.1 Remittances and financial inclusion

The growth in the volume of remittances has led to a broader realisation of the importance of remittances as a source of development finance (Kapur, 2004) with more countries realising the potential of their diasporas to contribute towards poverty reduction, development, and economic growth in the home country (Ionescu, 2006; Faist, 2008). Recent statistics show how international remittances proved to be resilient despite the coronavirus pandemic (COVID-19) with officially recorded flows to low- and middle-income countries (LMICs) being reported to have reached US$558 billion in 2020, which was a 0.8 percent increase from the US$553 billion that was transferred in 2019 (World Bank, 2022a). In 2021, remittance flows to LMICs were estimated to have further increased by 8.6 percent from the amount that was transferred in 2020 to reach US$605 billion (ibid). Furthermore, remittance flows to LMICs excluding China surpassed the sum of foreign direct investment and official development assistance in 2020 and 2021 (World Bank, 2021a, 2022a).

Remittances have therefore proved to be a stable resource for LMICs, even under the most adverse of economic circumstances.

The broader realisation of the importance of remittances has led to various studies of their effect on development with research focusing on different dimensions that include growth, poverty, education, labour supply, health, entrepreneurship, and financial development (Ben Naceur et al., 2020). In the case of financial development, the effect of remittances on access to and use of formal financial services has become a primary focus in development policy because this could have positive effects on households that receive remittances and the remittance-receiving countries at large (Ambrosius, 2015; Ambrosius and Cuecuecha, 2016). However, much of the research that has investigated the effects of remittances on financial access has focused on the recipients of the remittances (for example, Demirgüç-Kunt et al., 2011; Aga and Martínez Pería, 2014; Anzoategui et al., 2014; Ambrosius, 2015; Ambrosius and Cuecuecha, 2016) and largely overlooked the senders of the remittances.

Some studies have argued that linking remittances to other formal financial services provides the remittance-receiving households with additional tools for risk
management and asset accumulation, and that saving remittances in formal financial institutions permits the channelling of the savings from remittances to meet demands for credit elsewhere in the financial system (Ambrosius and Cuecuecha, 2016). Moreover, the exposure of remittance-receiving households to formal financial institutions could familiarise them with the services offered by the institutions and increase their demand for other formal financial services (Aga and Martínez Pería, 2014).

Research on remittances and financial inclusion has generally followed two strands, which are studies based on household surveys and cross-country studies (Ben Naceur et al., 2020). The studies involving household surveys have mostly found that remittances have a positive effect on financial inclusion through promoting the use of formal bank accounts or savings accounts, but they do not have a significant effect on the use of credit from formal financial institutions (Demirgüç-Kunt et al., 2011; Aga and Martinez Pería, 2014; Anzoategui et al., 2014; Ambrosius and Cuecuecha, 2016). For the other strand, some of the cross-country investigations conducted have also found positive effects of remittances on bank deposits (Gupta et al., 2009; Aggarwal et al., 2011).

Given the important role of remittances in promoting financial development as discussed in the previous paragraphs, the digitalisation of remittances has been widely recognised for its contribution in improving the transmission of remittances (Mirabaud, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014; Klapper and Singer, 2014). The World Bank defines digital remittances as “remittances sent via a payment instrument in an online or self-assisted manner and received into a transaction account maintained at a bank or non-bank deposit taking institution (say a post office), mobile money or e-money account” (World Bank, 2021c, p.29).

The Groupe Speciale Mobile Association (GSMA) then defines mobile money as a service that enables people with limited access to formal financial services to use mobile phones to make and receive payments (GSMA, 2015). GSMA stress that their definition excludes mobile banking services that are linked to existing traditional bank accounts (ibid), for example banks’ software applications that are installed on mobile phones to enable customers to access their bank accounts on their phones and conduct various other financial transactions. Similarly, Suri and Jack (2016)
define mobile money as a service that allows monetary value to be stored on a mobile phone and sent to other users via text messages.

In Sub-Saharan Africa in 2021, 55 percent of adults had an account at a bank or regulated institution such as a credit union, microfinance institution, or a mobile money service provider (Demirgüç-Kunt et al., 2022). This proportion included 33 percent of adults who had a mobile money account which was the largest share of any region in the world, with Sub-Saharan Africa being home to 11 countries where a larger proportion of adults had a mobile money account only instead of an account with a bank or some other financial institution (ibid). These statistics indicate the important role that mobile money has in promoting financial inclusion in Sub-Saharan Africa. This also justifies the importance of a research that investigates the effects of mobile money in the international remittances market in order to understand how the integration of mobile money and international remittances could promote financial inclusion as my study undertakes to do.

Having given a background to the subject of remittances and financial inclusion, the following section continues to elaborate the background to mobile money services.

1.2 Background to mobile money services

Because technology progresses over time, the definitions of some of the key terms used in studies of money transfers that involve mobile technology have also evolved over time. One of the earliest studies in the field that was conducted by Porteous (2006, p.3) proposed the following definitions:

Mobile payments are financial transactions undertaken using a mobile device such as a mobile phone. Mobile banking includes mobile payments but involves access by mobile device to the broader range of banking services, such as account-based savings or transactions products offered by banks […] The report distinguishes between additive and transformative models of mobile banking.

- **Additive models** are those in which the mobile phone is merely another channel to an existing bank account;

- **Transformational models** are those in which the financial product linked to the use of the phone is targeted at the unbanked, who are largely low-income people.
The early work of Porteous (2006) is useful in distinguishing between mobile banking services that are used by clients of banks in both developed and developing countries, and the service which is the focus of my research, which Porteous refers to as the transformational model. Mobile money is a form of mobile payments. Mobile money services are often provided by mobile network operators (MNOs) which are telecommunications enterprises. In the case of Zimbabwe, the country’s three major MNOs Econet Wireless, NetOne, and Telecel each offer their own mobile money services which are EcoCash, OneMoney, and TeleCash respectively. Using mobile money services does not require internet access because mobile money operates through mobile phone networks’ Unstructured Supplementary Service Data (USSD) which is used for Short Message Services (SMS). Mobile money users hence conduct financial transactions through dialing prescribed codes that enable them to access the mobile money service menu. Figure 1.1 is an image of the menu for the EcoCash mobile money service in Zimbabwe which users access by dialing *151# on their mobile phones and entering their unique personal identification number (PIN). As shown in the figure, users have options to choose whether they want to send money to other people, pay retailers or other service providers, withdraw money from their accounts, or purchase airtime for phone calls etc.

**Figure 1.1: EcoCash Zimbabwe mobile money service menu**

1. Send money
2. Make payment
3. Cash out
4. Airtime & Bundles
5. EcoCash Diaspora
6. Kashagi & Savings Club
7. Wallet Services
8. Banking Services

Cancel  Send

Source: Composed by author
As aforementioned, transformational mobile banking models are those in which the financial service linked to the use of the mobile phone is targeted at unbanked people (Porteous, 2006). Mobile money services hence have the potential to promote financial inclusion where the people who subscribe to the mobile money service would have previously had no formal bank accounts, that is, were unbanked. As highlighted earlier, in 2021, 55 percent of adults in Sub-Saharan Africa had an account at a bank or regulated institution, and this included 33 percent of adults who had a mobile money account (Demirgüç-Kunt et al., 2022). These statistics show the crucial role that mobile money services have had in promoting financial inclusion in Sub-Saharan Africa.

Mobile money has been widely used to send and receive domestic remittances within various developing countries as portrayed in the case of the much-celebrated M-Pesa mobile money service in Kenya (Morawczynski, 2009; Jack et al., 2013; Jack and Suri, 2014). Existing literature hence asserts that mobile money has reached millions of people living in poverty and helped meet their need for financial services (Duncombe and Boateng, 2009; Foster and Heeks, 2013a and 2013b). The reasons behind the growth of mobile money are the supposed benefits derived from the use of such services. Mobile money transfers are said to be highly accessible, quicker, and less costly than other remittance methods (Porteous, 2006; Munyegera and Matsumoto, 2016; Dube and Chummun, 2019). This is because mobile money uses existing telecommunications infrastructure which usually has extensive outreach and commonly covers wide geographic locations (Porteous, 2006). In addition, mobile money involves new distribution channels, that is, mobile money agents who are spread over various locations including rural areas where banks may not be physically located (ibid).

Mobile money agents are people who are contracted by mobile money service providers to provide services for their clients to deposit and withdraw cash from their mobile money accounts or wallets. The agents earn commission for the transactions they facilitate, and this incentivises people to serve as agents because it is like a form of self-employment. Furthermore, the pursuit of greater commission revenues also encourages people to serve as agents in areas where there is limited access to financial services as such areas have potential for generating higher revenues for the agents. The use of agents as part of the distribution networks for mobile money
hence makes the service more widely available and there are often a lot of people who contract to serve as agents since they are rewarded through commission.

Figure 1.2 shows how the provision of mobile money increased around the world from 2002 to 2022 as evidenced by the number of new mobile money services that were launched during the period. The figure shows that the number of new mobile money services launched annually worldwide increased from only one in 2002 to a peak of 40 in 2012. A total of 315 new mobile money services were launched during the period 2002 to 2011, and almost half of the services (153) were launched in Sub-Saharan Africa.

**Figure 1.2: Growth in mobile money services worldwide**

![Number of new mobile money services launched worldwide by region (2002 - 2022, year-end)](image)

Source: Constructed by author from Mobile Money Deployment Tracker by GSMA (2022c)

Because mobile money services are commonly offered by mobile network operators (MNOs), they operate outside the formal banking system and have thus been often labelled as *shadow banking systems* (Suri, 2017). It is the element of operating outside the formal banking system that has given rise to some of the major criticisms that have been levelled against mobile money services. Maurer (2015), for example, notes how bank regulators in some developing countries have been uncomfortable with MNOs assuming some quasi-banking functions because they were concerned
that this could increase possibilities of fraud and money laundering. The bank regulators felt that it was difficult for them to monitor financial transactions that were conducted through mobile phone networks with the resources they had. Moreover, the regulators were also concerned that the creation of a non-bank system for creating, storing, and transferring electronic value could result in the disintermediation of banks (ibid).

The concerns about mobile money that are highlighted by Maurer (2015) have sometimes been the root cause of some of the tensions that have arisen between MNOs offering mobile money services and regulators in the countries they operate in. The tensions have included frictions over compliance with Know-your-customer (KYC) and Anti-money laundering requirements (Martin, 2009). Furthermore, some studies have expressed data privacy concerns about digital financial services in general, that arise from the possibility of the digital platforms being used for surveillance purposes (Maurer, 2015; Mader, 2016; Martin, 2019), or how the platforms can be used for data-mining purposes where the data collected from users could be put to profitable secondary uses (Gabor and Brooks, 2016).

Having given the background to mobile money services, the following sub-section narrows down the discussion to focus on mobile money-enabled international remittances (MIR).

1.2.1 Introducing mobile money-enabled international remittances

GSMA refer to international remittances that are transmitted through mobile money services as *mobile money-enabled remittances* (GSMA, 2021). I adopted the term used by GSMA (2021) for my study and hence refer to the service as *mobile money-enabled international remittances* (MIR). A GSMA-commissioned study by Farooq (2017, p.4) suggested the following definition of MIR:

Mobile money-enabled remittances are low-value, person-to-person (P2P) international transfers. They are delivered electronically to a financial account held on a mobile phone. The sending channels vary widely and can include:

(i) brick-and-mortar money transfer operators (MTO), such as Western Union;
(ii) web-based MTOs, such as WorldRemit; or
(iii) mobile money accounts hosted by a mobile money provider in the sending country.
While the first two channels typically handle North-South remittance flows, the third channel is common for intra-regional remittance flows where there is movement of labour across borders and mobile money offers a low-cost and real-time alternative.

Existing literature suggests that the MIR service was first introduced around 2008, and some of the earliest studies on MIR were published soon afterwards (for example, Mirabaud, 2009; Singh, 2009; Alampay and Bala, 2010; Daly, 2010). However, it is only around 2014 that there began to be a substantial increase in the number of organisations that provided the MIR service globally as reported by some studies that were commissioned by the GSMA (Scharwatt and Williamson, 2015; Farooq et al., 2016; Farooq, 2017). The increase in the number of MIR services provided globally arose because MNOs that were already providing domestic mobile money remittance services recognised the opportunity that existed to use their transactional platforms and distribution networks to transmit international remittances (Scharwatt and Williamson, 2015). It is important to carefully note the difference between mobile money and mobile money enabled international remittances (MIR). This is because a clear understanding of the distinction is needed to comprehend this study. Mobile money basically refers to the domestic money transfer service that has grown significantly in some developing countries, for example EcoCash in Zimbabwe and M-Pesa in Kenya. In contrast, MIR refers to the international dimension of mobile money that enables international remittances to be sent or received through mobile money wallets. MIR can therefore be taken to be a sub-set of mobile money since MIR are transmitted through the same systems that were developed for domestic mobile money transfers.

The following paragraphs describe how a typical MIR transaction is processed. The description is based on the illustration and explanation given by Daly (2010). Figure 1.3 illustrates a typical MIR transaction where money is transferred directly from a mobile money wallet in a sending country to another mobile money wallet in a different receiving country, that is, from mobile-to-mobile.
Figure 1.3: Illustration of a typical MIR transaction

Notes: ATM – Automated teller machine; mWallet – Mobile money wallet; POS – Point of sale; RSP – Remittance service provider.

Figure 1.3 shows that a typical MIR transaction requires the involvement of a remittance service provider (RSP) and banking institutions who must work together with the mobile network operator (MNO) to execute the MIR transaction. Daly (2010) explains the typical MIR transaction illustrated in Figure 1.3 as comprising major layers of messaging, settlement, and distribution. Daly explains that the messaging layer facilitates the movement of the supporting information required for the sender to remit funds. In a typical mobile-to-mobile MIR transaction, the RSP receives a request for a remittance from the sender’s mobile money wallet and the wallet passes on all the required supporting details such as the transfer amount, recipient, and Know-your-customer (KYC) information. The RSP then replies to the sender with a confirmation of the amount the recipient will receive and the cost of the transfer. Last, the RSP will alert the recipient that they have received funds in their mobile money wallet thus completing the remittance messaging (ibid).

The settlement layer involves the movement of the remitted funds from the sender to the recipient and is executed by financial institutions that are licensed to transfer funds across country borders. Daly explains that the in-market RSP account model is the most widely used settlement procedure. It involves the RSP holding a remittance settlement account in every country that it is licensed to send or receive money in. To conduct a transaction, the RSP receives or draws money from the remittance
settlement account in the sending country and transfers the money to a remittance settlement account held in the receiving country thus executing any necessary foreign exchange trade. The RSP is hence able to complete the transaction through settling funds in the destination in-market settlement account (ibid).

Settlement processes may also involve pre-funding whereby the MNO that offers the MIR service maintains a float of funds in an operator’s settlement account which they use to transact with the RSP. Pre-funding the settlement account enables the RSP to authorise the receiving MNO in the MIR transaction to disperse funds to the person who is supposed to receive the remittances sent instantaneously, although the funds may eventually be settled with the receiving MNO a few days after the transaction depending on their agreement (Daly, 2010).

Daly also explains that the distribution layer on either the sending or receiving end of the MIR transaction enables the consumers to cash-in (deposit) or cash-out (withdraw) funds from their mobile money wallets. MNOs could use their own distribution network of agents to provide the cash-in and cash-out services depending on regulatory requirements. Alternatively, the MNOs could develop a distribution network through partnering retail outlets or using the RSP’s distribution network (ibid).

The description of a MIR transaction process given above is based on the mobile-to-mobile transaction where money is transferred directly from a mobile money wallet in the sending country to another mobile money wallet in the receiving country. It should however be noted that there are also hybrid MIR transactions, for example mobile-to-cash where money is transferred from a mobile money wallet but is only available for collection in cash form from stipulated distribution outlets; or, cash-to-mobile where the money is transferred through a RSP using in-person or online means and received in the mobile money wallet of the recipient.

The following section moves on to discuss the structure of the MIR market and the regulatory implications of the service.

1.2.2 Market structure and regulatory implications of MIR

In 2015, GSMA reported that there were at least 29 MIR corridors globally that connected 19 countries (GSMA, 2015). A year later, in 2016, Farooq et al. (2016) asserted that MIR represented the fastest growing mobile money product line and
there were at least 53 mobile money services globally which offered customers the ability to send international remittances across 45 MIR corridors. There was hence an increase of at least 16 MIR corridors across the world from 2015 to 2016.

Table 1.1 shows the distribution of MIR services globally in January 2022 according to the GSMA Mobile Money Deployment Tracker. The countries are arranged in decreasing order of the number of MIR service providers they have. The countries with the most MIR service providers were Bangladesh (6), Côte d'Ivoire (5), and Uganda (5). Zimbabwe had three MIR service providers. Furthermore, according to the data presented in Table 1.1, there were 124 MIR service providers globally. The number of MIR service providers in different world regions were: Sub-Saharan Africa (75), East Asia and Pacific region (16), South Asia (15), Latin America and the Caribbean (8), Middle East and North Africa (6), Europe and Central Asia (4) (ibid). Most of the MIR services were hence located in Sub-Saharan Africa. More details about the MIR services available globally can be found under Appendix 2.1. The appendix gives the names of the MIR services, the companies that provide the services, and the regions of the world they operate in.

Table 1.1: Global distribution of MIR services used to send or receive international remittances

<table>
<thead>
<tr>
<th>Countries</th>
<th>Number of MIR service providers in each country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>6</td>
</tr>
<tr>
<td>Côte d'Ivoire, Uganda</td>
<td>5</td>
</tr>
<tr>
<td>Ghana, Nigeria, Senegal, Tanzania, Zambia</td>
<td>4</td>
</tr>
<tr>
<td>India, Indonesia, Kenya, Malawi, Morocco, Pakistan, Philippines, Somalia, Zimbabwe</td>
<td>3</td>
</tr>
<tr>
<td>Benin, Bolivia, Burkina Faso, Cambodia, Cameroon, Colombia, Democratic Republic of Congo, El Salvador, Ethiopia, Fiji, Guinea, Guinea-Bissau, Lesotho, Madagascar, Niger, Rwanda, United Arab Emirates</td>
<td>2</td>
</tr>
<tr>
<td>Afghanistan, Armenia, Botswana, Burundi, Chad, Congo, Gabon, Georgia, Guatemala, Haiti, Kyrgyzstan, Liberia, Malaysia, Mali, Mozambique, Myanmar, Nepal, Qatar, Russian Federation, Samoa, Sierra Leone, Singapore, South Sudan, Sri Lanka, Thailand, Togo, Tonga</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Mobile Money Deployment Tracker by GSMA (2022b)
Figure 1.4 shows the growth in the value of remittances sent through MIR services globally from 2015 to 2021. The figure shows that the value of remittances sent through MIR services increased from US$3.1 billion in 2015 to US$15.9 billion in 2021. The value of remittances transmitted through MIR in 2015 of US$3.1 billion shown in Figure 1.4 constituted 0.72 percent of the total value of US$432.3 which World Bank (2017) estimated was remitted to LMICs that year. For 2021, MIR amounted to US$15.9 billion which was 2.63 percent of the US$605 billion which World Bank (2022a) estimates was remitted to LMICs that year. Although there has been a slight increase in the proportion of global remittances transmitted through MIR from 2015 to 2021, the proportion of global remittances sent through MIR in 2021 of 2.63 percent is still quite low and this suggests that there is reasonable potential for the use of MIR to continue to grow across the world.

Figure 1.4: Growth in remittances transmitted through MIR globally from 2015 to 2021

![Bar chart showing growth in remittances through MIR from 2015 to 2021](image)

Source: Reconstructed by author using data from GSMA (2021, p.37) and GSMA (2022a)

It should furthermore be noted that the sharper increase of 65 percent in the volume of MIR transferred in 2020 reported in Figure 1.4 was also influenced by the COVID-19 pandemic which curtailed the operations of cash-based remittance services and acted as a catalyst that increased the adoption of digital remittance services (World Bank, 2021a).

The involvement of mobile money service providers in international remittance transactions gives rise to some regulatory complications because the mobile money
services would have been designed to operate within domestic remittance markets and not international ones. Some of the major regulatory concerns that arise from transmitting international remittances through mobile money have been documented by the Alliance for Financial Inclusion (AFI) and the GSMA. These include settlement risk, Know-your-customer (KYC) issues, Anti-money laundering (AML) or Combating financing of terrorism (CFT) issues, and consumer protection concerns (AFI, 2014; Scharwatt and Williamson, 2015; Scharwatt and Sanin, 2017).

Settlement risk arises in MIR transactions because international remittances that are sent to mobile money accounts are available for use almost immediately, hence mobile money service providers in the remittance-receiving countries are exposed to settlement risk if the sending remittance service provider (RSP) becomes insolvent before honouring their financial obligation (AFI, 2014). For international remittance transactions in general, the Bank for International Settlements (BIS) and the World Bank highlight that the extent of the risk of loss of funds in transit because of the failure of disbursing agents partly depends on whether the RSP would have supported the agent with liquidity which would then resemble direct credit risk (BIS and World Bank, 2007). For MIR in particular, one of the measures taken by regulators in remittance-receiving countries to manage settlement risk is requiring that mobile money providers that are involved in real-time international transfers should open a mobile money account for the sending RSP which will be prefunded through a local bank account with the mobile money provider’s partner bank (AFI, 2014).

Know-your-customer (KYC) procedures require that financial institutions make reasonable efforts to establish the true identity of all customers who seek their services as a means of ensuring that the financial system is not used to transfer funds from criminal activities (BIS, 1988). In the same vein, money laundering refers to cases where financial institutions are used to transfer or deposit funds derived from criminal activity and to conceal the source or ownership of the money (ibid). The Financial Action Task Force (FATF), an inter-governmental body established by the G-7 countries in 1989, requires that countries criminalise money laundering and terrorist financing activities (FATF, 2012). Providing the MIR service requires that KYC, AML, and CFT processes be aligned in the remittance sending and receiving countries. This implies that regulators in the remittance-sending country need to
satisfy themselves with the level of KYC, AML, and CFT procedures applied to MIR transactions in the receiving country (AFI, 2014). Likewise, regulators in the remittance-receiving country also have to be satisfied with the KYC, AML and CFT procedures in the sending country (ibid).

Regarding consumer protection, MIR transactions are more complicated than domestic mobile money transfers because there could be more than one service provider involved in the transaction, two or more jurisdictions and, often, at least two different currencies (Scharwatt and Sanin, 2017). These complications require that MIR service providers clearly advise their customers about the costs of the transactions and the dispute resolution mechanisms that are available if there are problems with the transactions (ibid). Concerning costs, it could be difficult for customers to assess the true costs of sending MIR if the recipients are also charged fees for withdrawing the remittances received from their mobile money accounts (AFI, 2014). Furthermore, for dispute resolution, regulators need to clarify the party responsible for resolving customer complaints at all stages of the MIR transaction, that is, whether the RSP or the mobile money company will be responsible for customer redress (ibid). This is important given that the transactions could involve more than one service provider hence customers need to know which party they must approach if they have complaints.

In closing, this section 1.2 has introduced the MIR service as the international dimension of the more widely known domestic mobile money services and showed how use of MIR has grown around the world. While a lot of research has been done on domestic mobile money transfers (for example, Morawczynski, 2009; Blumenstock et al., 2011; Jack and Suri, 2014; Renteria, 2015; Munyegera and Matsumoto, 2016; Batista and Vicente, 2017), very little research has been done on international remittances that are transmitted through mobile money services, that is, MIR. Only a few studies have focused on MIR specifically (for example, Mirabaud, 2009; Singh, 2009; Alampay and Bala, 2010; Siegel and Fransen, 2013; Bettman and Harris, 2014; Morvant-Roux et al., 2017). Given that mobile technology has significantly changed the way in which business is conducted in various industries, from transportation to lodging (Bettman and Harris, 2014), it is important to investigate how mobile technology has affected the international remittances sector. My research aims to complement the limited studies on MIR by investigating the
The effects of sending remittances through MIR on the Zimbabwean migrant community in the UK.

The following section 1.3 moves on to discuss financial inclusion which is the major outcome that my study investigates. Sections 1.4 and 1.5 then discuss the aim of the study and the contextualisation of the study respectively. The next sections discuss the summary of the findings (1.6), contributions of the study (section 1.7), significance of the study (section 1.8), and the structure of the remaining part of the thesis (section 1.9).

1.3 Meanings of and perspectives on financial inclusion

Financial inclusion, which is often defined as the use of formal financial services (Demirguc-Kunt and Klapper, 2013; Allen et al., 2016), is one of the key drivers of inclusive growth because access to and use of financial services enables people and firms to benefit from and contribute to the growth and development process (Osakwe and Moussa, 2017). The distinction between formal and informal financial services could be based on whether a particular service is regulated, lawful, or officially recorded in the country of concern (Pieke et al., 2005). Examples of formal financial services could therefore include deposit accounts offered by registered banks or insurance cover provided by registered insurance companies. Informal financial services could include unregistered money lenders or community savings groups. Chaia et al. (2013) argue that although informal financial services could be more flexible and convenient to users, they are often less reliable, more costly to the users, and lack the capacity to scale up when compared to formal services.

The benefits of having access to financial services in general are well-documented. Existing literature asserts that improving access to financial services can reduce income inequalities, increase job opportunities, improve consumption, and help people living in poverty to manage risks or financial shocks (Klapper and Singer, 2014). However, some criticisms have also been made about the risks that could arise from efforts to extend access to financial services, for example, accumulation of too much debt by borrowers (Schicks, 2014).

Some studies have also proposed different conceptualisations of financial inclusion which go beyond only improving access to and use of financial services. Studies by Deb and Kubzansky (2012), Godinho and Russell (2013), Ledgerwood et al., (2013),
and Arun and Kamath (2015) argue that financial inclusion is multi-dimensional and encompasses both *access to and use of financial services* and *financial capability*. Financial capability can be defined as follows:

> The combination of attitude, knowledge, skills, and self-efficacy needed to make and exercise money management decisions that best fit the circumstances of one’s life, within an enabling environment that includes, but is not limited to, access to appropriate financial services (Microfinance Opportunities, 2015; Storchi and Johnson, 2016, p.4).

It is the broader conceptualisation of financial inclusion that I adopted for my study as illustrated in the description by Deb and Kubzansky (2012) shown in Figure 1.5. The figure suggests that it is not sufficient to focus all efforts on improving access to and use of financial services only, as it is equally important to ensure that the newly banked are able to use the services in the proper manner without getting harmed. Enhancing the financial capabilities of the unbanked is therefore important too as this ensures that they are able to manage their money well and are not susceptible to problems that can arise from using financial services, for example, over-indebtedness.

**Figure 1.5: Financial inclusion and its component parts**

<table>
<thead>
<tr>
<th>Intermediate outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial capability</strong></td>
</tr>
<tr>
<td>The ability to make informed judgments and effective decisions about the use and management of one’s money.</td>
</tr>
<tr>
<td>Financial skills, knowledge and understanding</td>
</tr>
<tr>
<td><strong>Access to finance</strong></td>
</tr>
<tr>
<td>Access to an account with a financial intermediary (includes new modes of accessing financial services).</td>
</tr>
<tr>
<td>Availability of diverse products and services</td>
</tr>
</tbody>
</table>

**Final outcome**

Full financial inclusion

Access for all individuals to appropriate financial products and services. This includes people having the skills, knowledge and understanding to make the best use of those products and services.

*Source: Deb and Kubzansky (2012, p.3)*
The concept of financial capability began with the Financial Services Authority (FSA) in the UK around 2005 (Kempson et al., 2013), when the FSA commissioned a national study that resulted in the conceptualisation of financial capability that was proposed by Kempson et al. (2005). However, since then some studies have expressed concerns about whether the conceptualisations of financial capability, like Kempson et al.'s (2005) model, which were specifically designed for use in high-income countries are also appropriate for different contexts, for example, LMICs where there are challenges like limited access to formal financial services, higher levels of poverty, and larger informal sectors (Zollman and Collins, 2010; Kempson et al., 2013; Storchi and Johnson, 2016). Furthermore, the significant growth of digital financial services around the world also has a bearing on how financial capability is conceptualised.

Some studies suggest that the terms digital financial services and digital finance are synonymous (for example, McKinsey Global Institute, 2016). I have also used these terms interchangeably in this thesis. McKinsey Global Institute (2016, p.2) hence define digital finance as “financial services delivered over digital infrastructure - including mobile and internet - with low use of cash and traditional bank branches”. Digital finance thus includes payments, savings accounts, credit, insurance, and other financial products provided by various organisations including banks, payment providers, telecommunications companies, financial technology (fintech) start-ups, and other businesses (ibid).

As Zollmann and Collins (2010) argue, the expansion of digital finance programmes as a means of increasing financial inclusion brings new consumers who were previously unbanked into the formal financial sector, and makes the subject of financial capability more important as it could be a means of helping the newly banked manage the risks and opportunities in the financial sector. Hence, in a world where people are increasingly accessing financial services online through devices like mobile phones and computers, the question of whether consumers are able to manage the change has therefore become important and the term digital financial literacy has emerged in the literature. ‘Digital financial literacy is a combination of financial literacy and the skills to use digital devices/technology to handle money transactions’ (Goyal and Kumar, 2020, p.21).
The opening sections have given the background to the study by explaining the concepts of MIR, digital finance, financial inclusion, and financial capability which are at the core of the study. The following section moves on to discuss the aim of the research.

1.4 Aim of the research and research questions

The overall aim of this study is to investigate the effectiveness of MIR in promoting financial inclusion among the senders of remittances. The study seeks to answer the main research question: *Do MIR improve financial inclusion among the senders of remittances?* The overarching research question is further broken down into three sub-questions as follows:

a) Do MIR have greater outreach amongst senders of remittances when compared to other formal and informal means of sending remittances?

b) Does sending MIR increase use of other digital financial services by senders of remittances?

c) How does sending MIR affect the financial capabilities of senders of remittances?

d) How do Zimbabwean social and cultural values influence sending of MIR?

A mixed methods research design which combined qualitative and quantitative methods was employed for the study. The qualitative method was the leading methodology and was supported by the quantitative method where appropriate. The primary data that were analysed in the study were collected through an online survey and semi-structured interviews that were conducted by telephone with respondents from the Zimbabwean migrant community in the UK. The primary data were supplemented by evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIR sent by their customers to Zimbabwe. WorldRemit is a remittance service provider that was founded in 2010 and largely specialises in providing online money transfer services to various countries that include Zimbabwe, Nigeria, Philippines, and India (WorldRemit, n.d.).

The study applied two main theoretical models - one to examine the *access to and use of financial services* component of financial inclusion, and the other to examine the *financial capability* component. The “Social benefits of microfinance for poor clients framework” for outreach by Schreiner (2002) was applied to examine access
to and use of financial services, while Kempson et al.’s (2005) pioneering model was applied to examine financial capability. The next section discusses the study context.

1.5 Contextualisation of the study

The total population for the study comprised the Zimbabwean migrant community in the UK. Zimbabwe is a landlocked country in Southern Africa whose neighbours are Botswana, Zambia, Mozambique, and South Africa. In 2022, Zimbabwe’s population was estimated to be 15,178,979, of which 48 percent of the population was male and 52 percent was female (ZimStat, 2022). The population constituted 3,818,992 households, which gave an average of four people per household (ibid).

The World Bank classified Zimbabwe as a low-income country in 2019 (World Bank, 2019b). Zimbabwe’s Gross Domestic Product (GDP) was estimated to be US$26.22 billion in 2021, and the annual GDP growth rate was 5.8 percent (World Bank, 2022b). Zimbabwe’s economy is largely dependent on agriculture, manufacturing, mining, construction, and tourism (GoZ, 2021). Hyperinflation has been a persistent challenge in the country and annual inflation was estimated to be 837.5 percent in July 2020 (GoZ, 2022a) and 256.9 percent in July 2022 (GoZ, 2022b).

The Migration Data Portal shows that in 2020, the official total number of Zimbabwean emigrants worldwide was estimated to be 1.2 million, and the share of female emigrants was approximately 43.2 percent (IOM, 2022). Please see Table 2.1 under section 2.5 in Chapter 2 for the distribution of Zimbabwe’s international migrant stock. In 2016, the Zimbabwean government reported that international remittances had become the second largest source of liquidity in the country and amounted to approximately 30 percent of the total external inflows (GoZ, 2016a). Diaspora remittances received in Zimbabwe in 2021 amounted to US$1.430 billion, which was an increase of 43 percent from the US$1.002 billion that was received in 2020 (GoZ, 2022a).

Zimbabwe has experienced significant out-migration for economic and political reasons (Bloch, 2008; Pasura, 2012. See Chapter 2, section 2.5 for full discussion). Research conducted has found that remitting is widely practised by Zimbabwean migrants (Maphosa, 2007; Bloch, 2008; Magunha et al., 2009). Global migration data also show that the UK hosts the second largest proportion of the Zimbabwean
diaspora after South Africa (UNDESA, 2015) and should therefore contribute a significant fraction of remittances received in Zimbabwe.

Zimbabwe is embedded in mobile technology systems. In June 2016, the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) reported that Zimbabwe had a mobile penetration rate of 97% and about 3.2 million active mobile money accounts (POTRAZ, 2016). The extensive access to mobile technology and the significant number of people using mobile money imply that the infrastructure required to use MIR is widely available in Zimbabwe.

Table 1.2 shows the growth in the number of active mobile money accounts in Zimbabwe from 2016 to 2020. The table shows that the number of active mobile money accounts grew by 102% from 2016 to 2019. The growth was however interrupted in 2020 where the number of active mobile money accounts decreased by 11%. According to the POTRAZ, the rapid growth in the use of mobile money from 2016 to 2019 can be attributed to liquidity problems in Zimbabwe that made mobile money a viable alternative to using cash which was scarce (POTRAZ, 2018). The slight decline in the use of mobile money in 2020 can also be attributed to another contextual factor which were frictions between mobile money service providers and government’s financial services regulators (Cassava Smartech Zimbabwe, 2020).

Table 1.2: Number of active mobile money accounts in Zimbabwe from 2016 to 2020

<table>
<thead>
<tr>
<th>End of year</th>
<th>Number of active mobile money accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3 303 188</td>
</tr>
<tr>
<td>2017</td>
<td>4 706 778</td>
</tr>
<tr>
<td>2018</td>
<td>6 352 552</td>
</tr>
<tr>
<td>2019</td>
<td>7 334 639</td>
</tr>
<tr>
<td>2020</td>
<td>6 495 682</td>
</tr>
</tbody>
</table>

Source: Compiled by author using data from POTRAZ (2018)

POTRAZ reported that about 1,96 billion mobile money transactions were processed in Zimbabwe in 2019 (POTRAZ, 2019). Of these total transactions, the fraction that was used to make payments for bills or at points-of-sale, and to purchase credit for making phone calls amounted to about ZWL$14,22 billion (Zimbabwe dollars) which was equivalent to about US$847 million based on the Reserve Bank of Zimbabwe’s (RBZ, 2019) official exchange rate at that time. Cassava Smartech Zimbabwe (2020) reported that about 35% by value, and 82% by volume, of the all the financial
transactions conducted in Zimbabwe’s financial sector in 2020 were processed through EcoCash, Zimbabwe’s leading mobile money service.

About 67 percent of the Zimbabwean population lives in rural parts of Zimbabwe (ZimStat, 2013) where poverty is prevalent (ZimStat, 2015), and there is generally limited access to formal financial services (GoZ, 2016b). In 2021, only 59.75 percent of the Zimbabwean population aged 15 and above was reported to have a formal account with a financial institution or a mobile money service provider (World Bank, 2022b). There is therefore a reasonable expectation that MIR could be useful in making it easier for families living in Zimbabwe, especially in rural areas, to receive remittances on their mobile phones without having to travel to shops or offices of RSPs to collect the remittances as cash. Moreover, there are also significant opportunities for MIR to promote financial inclusion of rural communities through providing them with an accessible formal remittance service.

This was in summary my justification for selecting Zimbabwe as the focus of my research. There was however a major limitation to the study in that an investigation of this kind would have ideally been conducted in Zimbabwe where I could have examined the effects of MIR on the recipients of the remittances. However, this was not possible because of legal barriers in Zimbabwe that hindered me from conducting the research in Zimbabwe (refer to Chapter 4, section 4.4), and during the research I had to adapt the focus of my study to instead investigate the experiences of the Zimbabwean migrant community in the UK as an alternative. Nonetheless, wherever feasible, I indirectly investigated the experiences of the recipients of the remittances in Zimbabwe through the migrants who participated in my study. The following section summarises the results of the study.

1.6 Summary of findings
As aforementioned, the study seeks to answer the main research question: *Do MIR improve financial inclusion among senders of remittances?* The study applies a broader conceptualisation of financial inclusion that encompasses *access to and use of financial services* and *financial capability* (see section 1.3). Pertaining to the first component, the study found that the use of MIR to send remittances abroad by migrant senders of remittances could increase if the macroeconomic environment and the regulatory environment in the country they are sending MIR to is conducive
and does not have negative effects on the operation of the MIR service. In the case of my study, the contextual constraints - particularly liquidity risk in Zimbabwe where the MIR were being sent to - eventually led to a decline in the use of MIR in sending remittances to the country. Contextual factors in the remittance-receiving country, notably the macroeconomic and regulatory environments, thus influence the effectiveness of MIR in promoting access to and use of formal financial services.

Regarding the financial capability component of financial inclusion - although my findings discuss how sending remittances affected the financial capabilities of the migrant interviewees who used MIR (see Chapter 7), it was difficult to clearly distinguish the effects of sending remittances through MIR from the effects of using the other money transfer methods I investigated (cash-collection, bank transfer, and informal methods). The effects of sending remittances on the financial capabilities of the MIR-senders that I identified from my analysis could not be directly attributed to the use of mobile technology in transmitting remittances. Rather, the analysis also showed that closely related effects could also arise where the interviewees used different transfer methods to send remittances. Hence, MIR were not immune to some of the general factors that affected remitting. Consequently, despite the advantages that MIR offered, when considering the effects of remitting on financial capability, MIR still need to be seen in the wider context of the challenges associated with remitting in general (regardless of the money transfer method used).

The results from the analysis of the two components of financial inclusion, that is, access to and use of financial services and financial capability, together constitute the conclusion for the investigation of the overarching main research question – Do MIR improve financial inclusion among senders of remittances? I concluded that the use of MIR by migrants when sending remittances was in the first place dependent on the context of the country which they are sending MIR to, that is, the macroeconomic factors, government regulatory policies, and market conditions within the receiving country. Where these conditions are conducive there could be more use of MIR by migrants to send remittances abroad and thus greater potential for MIR to promote access to and use of formal financial services. Furthermore, there could also be a possibility that the use of MIR could positively impact on the financial capabilities of the people who use the MIR service. However, where the contextual factors are less conducive, as was the case with the conditions in
Zimbabwe which I investigated, the advantages derived from using MIR to send remittances could be outweighed by the disadvantages that arise from the poor conditions in the receiving country, and the contextual factors could in the end become major constraints that limit the positive effects of MIR in promoting access to and use of financial services and financial capability.

Having summarised these major conclusions for my study, the following section moves on to discuss the academic contributions of the research.

1.7 Contributions of the study

The study makes contributions at the conceptual and empirical levels. The conceptual contribution is foremost the development of a broader conceptualisation of financial inclusion that encompasses a socio-culturally sensitive analysis of access to and use of financial services as well as financial capability, and furthermore recognises the importance of digital financial services in achieving financial inclusion. In addition to this, the study also makes another conceptual contribution by extending Kempson et al.’s (2005) model of financial capability using the data that were generated from the study. My extended conceptualisation of financial capability includes additional aspects of financial knowledge and decision-making as well as digital financial literacy.

Much of the research that has been done on remittances and financial inclusion to date has been largely limited to the discipline of Economics. My study extends the Economics literatures on remittances and financial inclusion to cover perspectives of transnational family care. Inversely, my study also connects the literatures on transnational family care to the separate body of Economics literatures on remittances and financial inclusion. The creation of the linkage between the two previously separate bodies of literature is achieved by examining issues relating to transnational family care that emerge from the study through a financial inclusion lens. Applying a financial inclusion lens to the transnational family care issues in the study illuminates how the use of financial services and financial capability reshape family relations in a transnational context.

The study makes an empirical contribution by generating and analysing substantial empirical evidence that sheds light on the emerging field of research on MIR. Only a few studies have investigated MIR and there is lack of in-depth studies on the effects
MIR. The study showcases the opportunities and challenges that exist for MIR to improve the financial inclusion of some unbanked groups. The research also makes another empirical contribution by generating evidence about the under-researched subject of *remittances and financial capability* through demonstrating how remitting affects the financial capabilities of migrants. The following section further discusses the significance of my study in the context of development policy.

**1.8 Significance of the study**

By focusing on international remittances, my study investigates a subject that is important in international development. Information and communication technologies (ICTs) have played a crucial role in improving the transmission of remittances from migrants to their home countries. Information and communication technology for development (ICT4D) refers to the use of ICTs in developing countries for the international development agenda, with emphasis being usually placed on the marginalised groups in those countries (Walsham, 2017). Some studies have examined the link between ICTs and the goals of international development (Unwin, 2015; Heeks, 2018) and the recent 2030 Agenda for Sustainable Development has been discussed in some of the linkages (for example, Heeks, 2018) because some of the agenda’s goals confirm the role of ICT in supporting development. For instance, Sustainable Development Goal (SDG) 9 seeks to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation; and the goal has a target 9.c which aims to significantly increase access to ICT (UNDESA, n.d.).

ICTs have also been instrumental in supporting efforts to achieve SDG 10 (that is, to reduce inequality within and among countries) target 10.c which aims to reduce to less than three per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than five per cent by 2030 (UNDESA, n.d.). Moreover, ICTs are also said to present opportunities for promoting financial inclusion of senders and recipients of remittances (Klapper and Singer, 2014) and thus fostering economic growth (Aggarwal et al., 2011; Demirgüç-Kunt et al, 2017).

The additional focus of my study on financial inclusion also supports the United Nations General Assembly 2019 resolutions on ‘Financial inclusion for sustainable development’ (UNGA, 2019). The UNGA (2019) resolutions call for the promotion of
financial inclusion in a balanced manner and for action to improve financial literacy and digital financial literacy of marginalised groups as a means of safeguarding the benefits of financial inclusion. The focus of my study on MIR also supports UNGA’s (2019) recognition of the importance of digitally-enabled innovation, and particularly mobile phones, in promoting digital financial inclusion.

Having justified the importance of my study, the following section moves on to close the discussion in this chapter by outlining the structure of the thesis.

1.9 The structure of the thesis

The rest of the thesis is organised into seven chapters. Chapter 2 reviews the literature in the fields of study and also describes the context of the study. The literature review spans the five major fields of research that the study covers which are MIR; remittances and financial inclusion; digital financial inclusion; financial capability; and transnational family care. The chapter discusses how the study extends the literature on remittances and financial inclusion to cover the subject of transnational family care. Furthermore, the chapter also discusses how the study extends the literature on remittances and financial inclusion to include the effects of remittances on financial capability. Moreover, the chapter discusses research that has been done on MIR and studies done on developing conceptualisations of financial capability that are appropriate for different country contexts.

Chapter 3 discusses the theoretical framework applied in the study. The theoretical framework mainly compromises two models that address the two components of financial inclusion, that is, access to and use of financial services and financial capability as advanced by some literatures (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). I apply Schreiner’s (2002) model for outreach to investigate issues relating to the access to and use of financial services component of financial inclusion in my study. In addition, I apply Kempson et al.’s (2005) pioneering model for financial capability to examine the issues related to the financial capability component of financial inclusion. These two models together comprehensively address the conceptualisation of financial inclusion applied in the study.

Chapter 4 discusses the methods used to collect, prepare and analyse the empirical data for the study. The chapter discusses how a mixed methods research design
combining qualitative and quantitative methods is employed for the study in order to investigate the various facets of MIR. The chapter in addition discusses how the empirical data for the research were collected through an online survey and semi-structured interviews that were conducted via telephone; and also describes the attributes of the respondents who participated in the study. Furthermore, Chapter 4 describes the data analysis procedures that were conducted to analyse the empirical data. The chapter also discusses how the primary data were supplemented by evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIR sent by their customers to Zimbabwe. Moreover, Chapter 4 also contains a discussion about the limitations of the study.

Chapters 5 to 7 are the findings chapters that discuss the empirical data and results of the study. **Chapter 5** focuses on the access to and use of financial services component of financial inclusion and applies Schreiner’s (2002) framework of outreach to examine how MIR affect access to and use of financial services. The chapter applies four aspects of Schreiner’s framework to the study’s empirical data in order to examine the outreach of MIR. The aspects are worth, breadth, depth, and cost. In addition, the chapter also supplements the investigation with evidence from the analysis of a secondary quantitative dataset from WorldRemit comprising aggregate data relating to their customers’ MIR transactions.

**Chapter 6** acts as a bridge between Chapter 5, whose focus is on examining the effect of MIR on the access to and use of financial services component of financial inclusion, and Chapter 7 which focuses on examining the effect of MIR on the financial capability component of financial inclusion. Chapter 6 hence traverses issues that pertain to both components of financial inclusion. In the case of analysing how MIR affects access to and use of financial services, Chapter 6 extends the work on the outreach of MIR in Chapter 5 by investigating the effect of MIR on the use of other digital financial services. Regarding financial capability, Chapter 6 sets the investigation of the effect of MIR on financial capability in Chapter 7 within the context of transnational family care in response to the call made by Godinho and Russell (2013) that the recognition that money is shaped by cultural factors should also extend to studies that investigate financial capability. Chapter 6 therefore draws linkages between MIR, transnational family care, and financial inclusion.
Chapter 7 investigates the effect of MIR on the financial capability component of financial inclusion in respect of senders of remittances. The chapter applies Kempson et al.’s (2005) pioneering model for financial capability to examine the effects of using MIR on the respondents’ financial capabilities. Kempson et al.’s (2005) model comprises four domains of financial capability which are managing money, planning ahead, choosing products, and staying informed. Chapter 7 furthermore contributes to the ongoing debates in the literature about developing conceptualisations of financial capability that are appropriate for different country contexts (Zollman and Collins, 2010; Kempson et al., 2013) by using the empirical data generated from the study to review and extend Kempson et al.’s (2005) financial capability model.

Chapter 8 discusses the major conclusions and academic contributions of the study. The chapter also makes policy recommendations from the study. Furthermore, the chapter recommends potential avenues for future research.
Chapter 2: Literature review and context of study

2.0 Introduction

This chapter builds upon the background to the study given in Chapter 1 by moving on to review the existing literature in the fields of study. In addition, the chapter further describes the context of the study. The study spans different fields of research which include the literatures on: digital financial inclusion; remittances and financial inclusion; financial capability; and transnational family care. Chapter 2 discusses points of connection and disconnection among these, creating linkages across the different fields of research, and showing how they together form the foundation of the study.

The chapter begins with a discussion about research that has been conducted on MIR (section 2.1). The discussion extends to cover literature on mobile money and digital financial inclusion, and examines some of the major criticisms that have been levelled against digital financial inclusion initiatives (section 2.2). The chapter then examines the intersection between MIR and financial capability (section 2.3). There, I build upon the discussion in Chapter 1 about adopting a broader conceptualisation of financial inclusion that encompasses financial capability in addition to access to and use of financial services (see section 1.3) and argue that the component of financial capability has not received much attention in the literature on remittances and financial inclusion. Consequently, my research seeks to extend the literature on remittances and financial inclusion to include the effects of remittances on financial capability. In addition to this, the chapter also discusses the work that has been done on developing conceptualisations of financial capability that are appropriate for different country contexts as a means of laying a foundation for the contribution my study will make in the field (section 2.3.1).

The discussion in the chapter also shows that most of the studies that have been conducted in the field of remittances and financial inclusion have focused on the macro-level and been of an economics nature. I argue that there is room to extend the literature in the field to include insights from the micro-level that have so far not featured much in the literature. I argue that this could be achieved by linking the economics literatures on remittances and financial inclusion to the separate body of literatures on transnational family care which contain valuable micro-perspectives on...
migration and remittances. The reverse effect of the linkage is that the study will also extend the literature in the field of transnational family care to cover the subject of remittances and financial inclusion.

The chapter furthermore examines the intersection between MIR and transnational family care (section 2.4) before ending with a discussion about the Zimbabwean migrant community in the UK which my study investigates (section 2.5). As aforementioned, the discussion in the chapter begins with a review of the existing literature on MIR which is presented in section 2.1 below.

2.1 MIR: State of the art

As explained in Chapter 1 (section 1.2.1), existing literature suggests that the MIR service was first introduced around 2008, and some of the first studies on MIR were published soon afterwards (for example, Mirabaud, 2009; Singh, 2009; Alampay and Bala, 2010; Daly, 2010). However, it is only around 2014 that there began to be a substantial increase in the number of MIR service providers globally as reported by some studies that were commissioned by the GSMA (Scharwatt and Williamson, 2015; Farooq et al., 2016; Farooq, 2017).

Relatively little research has been conducted on MIR (for example, Mirabaud, 2009; Singh, 2009; Alampay and Bala, 2010; Siegel and Fransen, 2013; Bettman and Harris, 2014; Morvant-Roux et al., 2017; Guermond, 2022). Some of these studies (Mirabaud, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014) have not involved any direct fieldwork investigations of the first-hand experiences of people who use MIR to send or receive remittances. These desk studies basically focused on examining how MIR could disrupt traditional remittance methods through increasing the speed of remittance transactions, reducing the costs of sending remittances, and making remittances more accessible and easier to receive, particularly in rural areas (ibid).

MIR are believed to have the potential to increase financial inclusion because the lower cost and greater accessibility of the service make it ideal for use by unbanked people, particularly the rural poor (Mirabaud, 2009; Singh 2009; Alampay and Bala, 2010; Siegel and Fransen, 2013). MIR could encourage remittance senders and recipients to switch from informal remittance methods to formal ones because they address some of the challenges that encourage the use of informal methods, for
example high costs of remitting and poor access to collection points (Singh, 2009; Siegel and Fransen, 2013). Policymakers have been increasingly concerned about the need to formalise remittances because it is believed that formal channels are more likely to promote economic development and discourage money laundering or other criminal activities (Siegel and Fransen, 2013).

In the following paragraphs I will discuss the studies by Singh (2009), Alampay and Bala (2010), Morvant-Roux et al. (2017), and Guermond (2022) which are in-depth studies of MIR that have involved fieldwork to collect new primary data to investigate the experiences of MIR users.

Singh (2009), to begin with, investigated the design requirements for MIR in the context of users’ money management and control in the household and the family. Singh argued that if MIR were to aid financial inclusion, then an essential aspect of the design of MIR had to use the benefits of the technology to direct at least a small proportion of remittances to women since they were an important group among the unbanked population. To this end, Singh argued that MIR had to help women achieve greater roles in the management and control of money within households. Singh’s paper hence discusses different cases of women in India who received remittances through MIR and how this affected their money management and control roles in their households.

The study by Alampay and Bala (2010) investigated the reach and use of MIR among the bottom of the pyramid in the Philippines. The study examined three factors that remittance recipients had to overcome in order to use MIR and these were mental access, material access, and skills access. Mental access referred to the recipients’ interest or motivation to use MIR. Material access referred to the recipients having the requisite materials for using MIR, for instance mobile phones. Skills access referred to the ability of people to transact on their mobile phones using the MIR service (ibid). Alampay and Bala argued that the major challenge affecting the use of MIR was mental access since the respondents in their study generally had mobile phones and possessed the skills to use them. However, the people at the bottom of the pyramid were used to, and more comfortable with existing remittance transfer methods. The authors hence concluded that MIR service providers had to
emphasise their comparative advantage by increasing awareness of the benefits of MIR (ibid).

A more recent and extensive study of MIR was conducted by Morvant-Roux et al. (2017) who conducted a study of MIR that were sent from Ivory Coast to Burkina Faso. Morvant-Roux et al. conducted a multi-sited study of MIR that were sent by Burkinabè migrant workers who lived in Ivory Coast to their homes in Burkina Faso. Their mixed methods study included household surveys that were conducted with senders of remittances in Ivory Coast and the recipients in Burkina Faso. Morvant-Roux et al.’s study benefited immensely from the fact that there was interoperability between mobile money companies in Ivory Coast and those in Burkina Faso which enabled people to send MIR directly across the two countries, that is mobile-to-mobile which is directly from one mobile phone to another (see Figure 1.3 under section 1.2.1 in Chapter 1). In contrast MIR sent from the UK to Zimbabwe are hybrid cash-to-mobile MIR transactions where the money is transferred through a RSP using in-person or online means and received in the mobile money wallet of the recipient in Zimbabwe.

The investigation by Morvant-Roux et al. (2017) found that although more than 70 percent of the remittance service providers that operated in the rural parts of Burkina Faso they investigated were mobile money agents, and remote villages were exclusively covered by mobile money agents, there was low usage of the MIR service. Morvant-Roux et al. attributed the low usage to the fact that MIR had only been recently introduced in the area and there were liquidity problems that were being experienced by mobile money agents making it difficult for them to cash-out large amounts of remittances sent through MIR. Consequently, only 35 percent of the remittances sent from Ivory Coast to Burkina Faso by the respondents in Morvant-Roux et al.’s study were transmitted through MIR (ibid).

The study by Guermond (2022) takes a different perspective from that of the previous authors, and critically evaluates the policies and initiatives that are behind the push for the digitalisation of remittances as a means of increasing financial inclusion. Guermond examines the intertwining of the digitalisation of remittances and the advancement of digital financial inclusion within development circles, and argues that the process is not uncontested but rather requires complex regulatory,
technological, and discursive constructions in order to re-engineer the financial behaviours of remittance senders and recipients. I will continue with the discussion about the study by Guermond (2022) under section 2.2.1 where I examine the politics of digital financial inclusion, and hence MIR, as a means of exploring the downsides of MIR. In the following paragraph, I will provide further justification for my study in light of the research that has already been conducted in the field before I discuss mobile money services in general and digital financial inclusion under section 2.2.

My research will extend the limited empirical evidence on the effects of MIR by investigating experiences from a MIR corridor that has not been investigated before, that is, the UK to Zimbabwe MIR corridor. The study will investigate the level of usage of MIR amongst some marginalised groups, the economic factors that influence the use of MIR, and will also analyse the costs of using MIR. Although some studies have claimed that MIR cost less than other remittance methods (Mirabaud, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014), these claims have not been critically interrogated as I will do in my study.

As aforementioned, the following section broadens the examination of MIR by reviewing literature on mobile money services in general and digital financial inclusion. Such a broader examination is necessary because MIR are a form of mobile money services and should hence be linked to the wider issues that affect the field of digital finance.

2.2 Mobile money and digital financial inclusion

As mentioned in Chapter 1 (section 1.3), McKinsey Global Institute (2016, p.2) define *digital finance* as “financial services delivered over digital infrastructure - including mobile and internet - with low use of cash and traditional bank branches”. Digital financial services have become an important driver of financial inclusion in emerging markets and developing economies in recent years (Khera et al., 2021a, 2021b). This is because the emergence of digital financial services has changed the financial landscape through the development of digital finance tools that can be accessed from mobile phones, computers, and other digital devices (McKinsey Global Institute, 2016; Sahay et al., 2020). Digital financial inclusion hence refers to efforts to provide
digital access to financial services, especially by financially excluded groups of people (Ahmad et al., 2021).

A lot of scholarly attention has already been given to examining how mobile money has affected the lives of people living in poverty, rural communities, women, and other marginalised groups. Studies that have focused on investigating the effects of receiving mobile money by people living in poverty have found the effects to include providing cheaper and safer means of transferring money, as well as acting as a substitute for informal saving mechanisms (Morawczynski and Pickens, 2009). Other studies have found the effects of the introduction of mobile money in rural communities to include providing alternative means of storing savings (Batista and Vicente, 2017) and supporting operations of rural smallholder farmers (Kirui et al., 2013; Kikulwe et al., 2014). Researchers have also found the effects of receiving mobile money by women to include increases in the financial autonomy of women which leads to greater empowerment of women (Morawczynski and Pickens, 2009).

More generally, use of mobile transfers by all kinds of users has been found to enhance risk-sharing between households and their social networks (Blumenstock et al., 2011; Jack et al., 2013; Jack and Suri, 2014). Some researchers have thus claimed that mobile infrastructure is more inclusive than the financial system (Alampay and Moshi, 2018), and could hence be more effective than conventional financial institutions in providing financial services to marginalised groups.

Specifically in the case of international and domestic remittances, some studies have argued that digital remittances help overcome costs and physical barriers that beset financial inclusion efforts and offer the opportunity to scale up access to formal financial services (Klapper and Singer, 2014; World Bank, 2014). Furthermore, digital remittances also lead to: reductions in transport costs incurred when travelling to collect remittances (Renteria, 2015); better accessibility or access to collection points for remittances (Dube and Chhummun, 2019); and are associated with increases in the amounts of remittances received (Morawczynski and Pickens, 2009; Kikulwe et al., 2014; Munyegera and Matsumoto, 2016; Batista and Vicente, 2017).

Studies by Sahay et al. (2020) and Khera et al. (2021a) found that digital financial inclusion was greater in countries where use of traditional financial services was high, but access to the traditional financial services was limited. Hence digital
financial services filled the gap left by traditional financial institutions due to factors like inefficiency and lack of competition (Khera et al., 2021a). Moreover, an investigation by Sahay et al. (2020) found that digital finance was increasing financial inclusion, even in countries where traditional financial inclusion was declining.

There are however some concerns that arise from the expansion of digital finance. Some of the basic concerns are the ongoing arguments about the digital divide. Digital systems have been often associated with inequality in the global South and the dominant lens for understanding that association has been the digital divide which relates to the exclusion of some groups from the benefits of digital systems (Heeks, 2022). Digital divide refers to the gap between individuals, households, businesses, and geographic areas at different socio-economic levels pertaining to both their opportunities to access ICTs and their use of the internet for various activities (OECD, 2001). Some of the “readiness” indicators that can be used to measure the digital divide include communications infrastructures, computer availability or alternative access through televisions or mobile phones, and internet access. The digital divide among households is mostly dependant on two variables which are income and education, although other variables like household size and type, age, gender, racial and linguistic backgrounds, and location could also have an important role (ibid).

Beyond the digital divide, there have also been criticisms relating to privacy issues and data-mining concerns that have arisen from digital finance initiatives. I will discuss these issues in the following section.

2.2.1 The politics of digital financial inclusion

The importance of digital financial inclusion (digital FI) has been endorsed by policymakers globally as evidenced by the G20 High-Level Principles for Digital Financial Inclusion which promote a digital approach to financial inclusion; and by the acknowledgement by the UN Secretary-General of the importance of fintech and digitalisation in providing equitable access to finance in the Strategy for Financing the 2030 Agenda for Sustainable Development 2018–2021 (Ferrata, 2019). However, as I had begun discussing under section 2.1 using the study by Guermond (2022), despite such high-level endorsement some researchers have criticised the digital FI initiative. In this section, I will discuss some of the criticisms of digital FI that
are relevant to my study of MIR. The criticisms range from the potential for providers of digital financial services to profit from transaction fees applied to digital transactions, to data-mining concerns, surveillance, and other ethical issues.

Some researchers have criticised the digital FI initiative because it could result in private organisations profiting from payment transactions (Maurer, 2015; Mader, 2016). The criticism is basically that “the provision of money by private companies over private infrastructure risks undermining the important function of the public sector, namely, that the means of value transfer are not ‘owned’ by anyone” (Maurer, 2015, p.138 citing Donovan, 2012). Mader (2016) advances the argument further by warning that digitalisation of money could also enable payments companies to earn revenues from governments when welfare payments like conditional cash transfers are made. Consequently, as Maurer (2015, p.138) reports some governments have resisted corporate-led digital FI initiatives and told donor agencies that “payments are a public good”.

In the case of remittance transactions, in instances where recipients receive remittances as hard cash through conventional cash-based transfer methods, they do not incur any additional charges when they spend the money they would have received, that is, transaction fees for using the money. However, with MIR, recipients will be charged fees when they make purchases using their electronic money balances, and possibly if they convert the electronic money to hard cash too. This is the implication of the criticisms by Maurer (2015) and Mader (2016) in the case of MIR.

The second criticism that researchers have levelled against digital FI relates to data-mining. Here, researchers argue that unlike cash transactions which usually leave minimal traces, digital transactions are always recorded and carry more information which could include the identity of the person making a payment, details of items purchased, time, place etc (Mader, 2016). The collection of such transactional data gives rise to questions about “who owns that data, who has access to it, and who can write and rewrite it?” (Maurer, 2015, p.139). Researchers’ concerns about the transactional big data collected by private payment providers range from the possibility that it could be sold for profits (Maurer, 2015), to privacy concerns surrounding the use of the personal data (Gabor and Brooks, 2016; Martin, 2019). In
the context of MIR, when recipients decide to use the electronic money they would have received through MIR to make payments or purchases then the concerns raised by Maurer (2015) and Mader (2016) will affect the users.

In addition to Maurer’s (2015) concerns that big data from digital financial transactions could be sold for profits, Martin (2019) raises concerns about surveillance of digital finance platforms. Specifically referring to mobile money platforms, Martin (2019) highlights that the platforms are subject to surveillance because of Know-Your-Customer (KYC) and Anti-Money Laundering (AML) requirements prescribed by the Financial Action Task Force (FATF). The FATF is an inter-governmental body that was established by the G-7 countries in 1989 and mandated to develop international standards and policy recommendations to combat money laundering and terrorist financing (FATF, n.d.). In addition to surveillance of digital payments for Anti-Money Laundering purposes, some studies have also warned of possible surveillance for purposes of taxing the informal sector (Maurer, 2015; Mader, 2016).

Martin (2019) also describes how some software applications can monitor mobile money transactions. He gives the example of a transaction monitoring software known as Minotaur that can monitor all kinds of user activity to identify suspicious behaviour. Furthermore, the software can build unique behavioural profiles for customers. Although the surveillance of digital platforms for Anti-Money Laundering and other regulatory purposes may seem justifiable, it could be the capabilities of the surveillance software that raise some researchers’ further concerns about what else the personal data gathered from surveillance of digital transactions could be used for. Daniela Gabor and Sally Brooks register their concerns about this as follows:

A defining feature of financial(ised) inclusion as enabled by new information technologies, particularly mobile technology, is what we refer to as the ‘commodification’ of a new class of financial consumer, or more accurately, of his or her personal data. Central to this vision is the potential of digital technologies to capture the data of the newly ‘included’ in ways that enable lenders to map, know and govern ‘risky populations’. (Gabor and Brooks, 2016, p.3).

Gabor and Brooks (2016) and Guermond (2022) give examples of how data collected from mobile phones can be used in credit scoring. They discuss the cases of Cignifi (Gabor and Brooks, 2016) and JUMO (Guermond, 2022), companies that
create credit scores for mobile phone users who do not have credit histories by modelling their behaviour from their calls and text messages. The studies claim that mobile phone data can be entered into predictive algorithms which can be critical in advancing the risk frontier in developing countries (ibid). Gabor and Brooks (2016) cite further evidence in support of their arguments in a report that was prepared by Bankable Frontier Associates and commissioned by the Better than Cash Alliance which reads:

The biggest opportunities for financial inclusion arising from a shift to electronic payments […] come from financial service providers using the digital information generated by e-payments and receipts to form a profile of each individual customer. This digital profiling then enables providers to offer more appropriate and relevant products. Even beyond the use of e-payment records, businesses are starting to use other “digital footprints,” such as mobile phone calling records and social network traffic, to offer credit to excluded groups (Bankable Frontier Associates, 2014, p.8).

The data-mining criticisms levelled against digital FI initiatives lead to another criticism which focuses on the credibility of some of the claimed benefits of digital FI. Maurer (2015, p.129) questions what he terms poverty payment, that is, “the idea that the design of digital platforms for the transfer of value, agnostic as to what value is being transited or what it is being used for, has positive spill-over effects that ultimately benefit poor people”. Mader (2016) makes a similar criticism by questioning whether any form of money, whether cash or digital, could greatly benefit poor people given that they simply lack money to begin with. The criticisms by Maurer (2015) and Mader (2016) help interrogate the benefits some providers and proponents of digital financial services, like MIR and mobile money, claim can arise from digital FI given the greater underlying problems of poverty.

The study by Guermond (2022) extends the criticism of the digitalisation of remittances by arguing that the efforts to adjust remittance senders’ and recipients’ choices architecture, that is, the technologies that enable private sector and development organisations to steer people towards a particular choice by changing the default option, run the risk of increasing the ability of financial institutions to curtail migrants’ and recipients’ essential livelihood strategies and coping practices. Guermond asserts that the relationship between financial institutions and remittance customers appears to increasingly resemble a strategy that aims to co-opt already-
existing financial circuits, arrangements, and practices. He argues that the imposition of digital products onto already-existing financial practices runs the risk of prejudicing important social relations that are attached to remittances. Guermond posits that rather than increasing people’s choices and enhancing their financial capabilities, the digitalisation of remittances narrows the decision-making processes in an automated fashion (ibid).

Having examined both the positive and negative aspects of MIR and the digitalisation of remittances, the following section shifts from this discussion and moves on to discuss MIR and financial capability.

2.3 MIR and financial capability

Most of the studies that have been done on financial inclusion have been limited to analysing access to and use of financial services (for example, Demirguc-Kunt and Klapper, 2013; Allen et al., 2016). However, as mentioned in Chapter 1 (section 1.3) broader conceptualisations of financial inclusion have emerged in the literature and some studies argue that financial inclusion is multi-dimensional and encompasses both access to and use of financial services and financial capability (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). Furthermore, much of the research that has been done on MIR, and mobile money in general, has been limited to investigating how the services affect financial access by unbanked people (for example, Mirabaud, 2009; Morawczynski, 2009; Singh, 2009; Siegel and Fransen, 2013; Munyegera and Matsumoto, 2016). Less attention has been paid to the effect that mobile money could have on the financial capability component of financial inclusion. One exception is the work by Fang (2014) who applied Kempson et al.’s (2005) conceptualisation of financial capability to his doctoral research of the impacts of mobile money on subsistence marketplaces in rural Cambodia.

My research seeks to extend the literature on mobile money and financial inclusion by further illuminating the effect of mobile money on the financial capability component of financial inclusion which has not received much attention in the literature. As Deb and Kubzansky (2012) argue, efforts to improve financial access only without simultaneously improving financial capability are insufficient, unsustainable, and potentially harmful. My study will therefore investigate the effect
of MIR in relation to the broader conceptualisation of financial inclusion that encompasses both access to and use of financial services and financial capability. The following section discusses key issues relating to the conceptualisation of financial capability.

2.3.1 Conceptualisation of financial capability

The concept of financial capability began with the Financial Services Authority (FSA) in the United Kingdom around 2005 (Kempson et al., 2013). Figure 2.1 presents an illustration by Storchi and Johnson (2016) of the stages through which the concept of financial capability evolved from the initial conceptualisation of financial literacy compromising financial knowledge and skills. This initial conceptualisation was followed by the realisation that people’s translation of knowledge into behaviour could be hindered by behavioural attributes such as poor self-control, or by attitudes such as trust in financial institutions, or the environment in which decisions are made (Kempson et al., 2013). The field of behavioural economics hence offered a broader understanding of the financial decision-making process by including the influence of personal attributes in the process and suggesting how emotions, instinct, and past experiences influence the way people make financial decisions (Storchi and Johnson, 2016). There has therefore been a shift from the concept of financial literacy towards financial capability as a means of incorporating the various other factors that are involved in making financial decisions (ibid).

Figure 2.1: The evolution of the concept: from financial literacy to capability

(Source: Storchi and Johnson, 2016, p.3)
Taylor (2011) argues that improving financial capability is expected to result in lower levels of problem debt, more savings, and less welfare dependency; and that these benefits may also have secondary effects on poverty, financial exclusion, and other social challenges. Lusardi and Mitchell (2014) summarise the results of some of the studies that have investigated the relationships between financial literacy and economic behaviour as including findings that financially literate people were more likely to participate in financial markets (Kimball and Shumway, 2006; Christelis et al., 2010), hold precautionary savings (de Bassa Scheresberg, 2013), undertake retirement planning (Lusardi and Mitchell, 2007), and apply day-to-day financial management skills (Hilgert et al., 2003). In contrast, Lusardi and Mitchell (2014) noted that the least financially literate people were more likely to have costly mortgages (Moore, 2003), engage in costly credit card behaviour (Mottola, 2013), incur high transaction costs, pay higher fees, have excessive debt loads, and fail to judge their debt positions (Lusardi and Tufano, 2009).

As mentioned in Chapter 1 (section 1.3), some studies have questioned whether conceptualisations of financial capability that were developed for high-income countries are also appropriate for different country contexts, notably, LMICs (Zollmann and Collins, 2010; Kempson et al., 2013). From their pioneering investigation of the conceptualisation of financial capability in LMICs, Kempson et al. (2013, p.xii) define financial capability as ‘the capacity to manage financial resources and use financial services in a way that best suits individual needs and the prevalent social and economic conditions’.

Kempson et al. (2013) outline some of the challenges in LMICs that could limit the relevance of conceptualisations of financial capability that were developed in high-income countries as including limited access to formal financial services, higher levels of poverty, lower levels of education, larger rural populations, and bigger informal sectors. These factors make the contexts of some LMICs different from the contexts in high-income countries where some of the major conceptualisations of financial capability in the literature were developed, for example, Kempson et al.’s (2005) model which was developed for the UK. The study by Kempson et al. (2013) consequently culminated in the development of an adapted conceptualisation of financial capability that they deemed appropriate for the LMICs they had investigated.
Furthermore, from their investigation in Kenya, Zollmann and Collins (2010) argue that financial capability in Kenya had more to do with managing spending and investment in an environment that was characterised by uncertain, uneven, and insufficient cashflows. In contrast, in high-income countries financial capability could be perceived differently because cashflows from jobs, safety nets, and investments were more stable (ibid). Zollmann and Collins thus argue that the conceptualisation of financial capability that was developed for high-income countries cannot be merely ‘downsized’ and applied to LMICs because the social and economic conditions in LMICs are fundamentally different from those in high-income countries.

Godinho and Russell (2013) also contribute to the debate about the conceptualisation of financial capability by providing insights from their study of Indigenous Australians. Godinho and Russell argue that the recognition that money shapes and is shaped by social relationships and cultural values (Zelizer, 1998) should also be extended to financial capability studies and programmes. This is because socio-cultural contexts could influence the acceptance and effectiveness of external financial capability interventions or programmes. Godinho and Russell (2013) thus argue that programmes that aim to improve financial capability and inclusion of Indigenous communities must first recognise the socio-cultural factors that affect the Indigenous communities’ understanding of finances.

As aforementioned, my study will also contribute to the ongoing debates about the conceptualisation of financial capability by providing insights regarding the conceptualisation of financial capability from my respondents. The following section shifts to discuss the use of MIR within transnational families as a means of laying the foundation for my investigation of how MIR are influenced by social and cultural values of transnational families.

2.4 MIR, transnational family care, and economic growth

Although the debate about migration and development has swung back and forth like a pendulum, from optimism in the post-World War II period, to deep brain drain pessimism from the 1970s (De Haas, 2012), the turn of the new millennium witnessed a surge in migration and development optimism from around the year 2001 which was driven by increases in migrant remittance flows (de Haas, 2010). The growth in the volumes of remittances led to a broader realisation of the
emergence of remittances as a source of development finance, and Kapur (2004) described this as the *new development mantra*. More countries began to realise the potential of their diasporas to contribute towards poverty reduction, development, and economic growth in the home country (Ionescu, 2006). In this regard, Faist posited that the optimism around migration and development could be expressed as follows: ‘that the flows of money, knowledge, and universal ideas – called remittances – could have a positive effect on what is called development in the countries of emigration’ (Faist, 2008, p.21).

Despite the celebratory discourse about the importance of remittances to LMICs, research conducted to investigate the effect of remittances on economic growth has produced mixed results (Eggoh et al., 2019; Sobiech, 2019; Tu et al., 2019; Cazachevici et al., 2020). Some studies assert that remittances could contribute to economic growth through increasing households’ consumption, reducing poverty and inequality, alleviating credit and liquidity constraints, increasing investment, and promoting financial development (Giuliano and Ruiz-Arranz, 2009; Eggoh et al., 2019; Tu et al., 2019; Dash, 2020). Some of the studies that have focused on the interaction between remittances and financial development have investigated how financial development influences remittance-receiving countries’ capacity to leverage remittances, and claimed that remittances boost economic growth more significantly in countries with less developed financial systems through providing alternative means of financing investment and overcoming liquidity constraints (Giuliano and Ruiz-Arranz, 2009; Sobiech, 2019). These studies argue that remittances and financial development are substitutes for one another, such that the more financially developed the remittance-receiving country is, the smaller the impact of remittances on economic growth (Sobiech, 2019).

On the other hand, some studies assert that remittances could have adverse effects on economic growth in the receiving countries through increasing inflation (Ball et al., 2013) and reducing labour supply since recipient households may opt to live on remittances instead of getting employed (Acosta et al., 2009; Cox-Edwards and Rodriguez-Oreggia, 2009). Furthermore, some studies have argued that remittances may not promote economic growth because remittances are mainly spent on consumption and not productive investment which would foster growth (Mallick, 2012; Tung, 2018). However, other studies have challenged these views by arguing
that the use of remittances for consumption may also promote economic growth through possible multiplier effects (Stahl and Arnold, 1986). Moreover, the expenditures may deliver indirect development benefits, for example providing employment to local workers who build houses for remittance-receiving households, thus diffusing remittance income across socio-economic strata (Carling, 2020).

In a bid to analyse the diverging literatures on the effect of remittances on economic growth, Cazachevici et al. (2020) conducted a meta-analysis of 95 articles published on the subject which reported 538 estimates that quantified the effect of remittances on growth. Cazachevici et al. found that approximately 40 percent of the estimates showed a positive and statistically significant effect; about 20 percent of the estimates were negative and statistically significant; and around 40 percent were insignificant based on the conventional five percent significance level. The authors claimed that they had identified publication bias in favour of positive effects and that after correcting for the bias they found the mean effect of remittances on growth to be still positive but economically small (ibid).

Much of the research that has been done on remittances and financial inclusion has focused on the receiving end of the remittances. Some studies have found that remittances have a positive effect on financial inclusion through promoting the use of formal bank accounts or savings accounts (Demirgüç-Kunt et al., 2011; Aga and Martinez Peria, 2014; Anzoategui et al., 2014; Ambrosius and Cuecuecha, 2016. See Chapter 1, section 1.1 for further discussion). In contrast, there has not been much research done to understand the effect of remittances on financial inclusion of the senders of the remittances. Furthermore, most of the research that has been conducted on remittances and financial inclusion has focused on the macro-perspective and less attention has been given to the micro-perspective in order to understand how remittances actually foster financial inclusion within the transnational families. One exception is the work of Singh (2009) whose study examined how receiving remittances through mobile phones resulted in some women who had been financially excluded accessing formal financial services (see section 2.1). The macro-perspective of international remittances focuses on aggregate monetary values of remittances transferred to developing countries and their importance to the receiving national economies (Singh, 2008). In contrast, the
micro-perspective moves the focus to the transnational family, and money management and gender relations within the family (ibid).

My research aims to illuminate the micro-perspective of MIR and financial inclusion and focuses primarily on qualitative data. It builds on the work of Singh (2009) by investigating how the practice of sending MIR affects access to and use of financial services and financial capability in transnational families. The benefit of focusing on the micro-perspective is that this can reveal important social dynamics that are missed in macro-level studies (Wong, 2006). My study therefore complements the dominant macro-level literatures on remittances and financial inclusion by offering a micro-level perspective which is centred on transnational family care. The study thus responds to the calls made by Singh (2009) for more research that draws bridges between use of MIR and the dynamics of remittances through linking the macro-perspective of the scale of MIR to the micro-perspective of the effect of MIR on money management and control within transnational families. The following section explores the linkages between transnational family care and financial inclusion further.

2.4.1 Linking transnational family care to financial inclusion
The development of the transnational perspective on migration began in the 1990s when researchers began to focus on the ongoing relationships migrants continued to have with the places they had migrated from at the same time as they live and work in the ‘new’ country (Butsch, 2019). Steven Vertovec, one of the pioneers of the study and theorisation of transnationalism, describes it as involving multiple ties and interactions linking people or institutions across the borders of nation-states (Vertovec, 1999). Vertovec discusses six conceptual premises of transnationalism which are transnationalism as a: social morphology; type of consciousness; mode of cultural reproduction; avenue of capital; site of political engagement; and, reconstruction of ‘place’ or locality (ibid). Two of these premises are of greater importance to my study, and these are transnationalism as a type of consciousness, and as an avenue of capital.

Vertovec (1999) describes transnationalism as a type of consciousness as referring to some form of diaspora consciousness which is characterised by multiple identifications of being simultaneously here and there, with migrants maintaining
multiple identities that link them to more than one nation. Transnationalism as an *avenue of capital* includes the operations of transnational corporations that span various nations, and the remittances migrants send home which are important to their families and national governments because they are a reliable source of foreign currency (Vertovec, 1999). Transnational communities hence create various economic relationships that span boundaries of different nations (Portes, 1996). Butsch (2019) consequently highlights that research on transnationalism has unveiled the various changes that have arisen from these transnational linkages and monetary remittances have emerged as one of the major areas of research.

Butsch (2019) asserts that monetary remittances help migrants (re)position themselves in the transnational family and are therefore a means of expressing their belonging to the family. In the same vein, Singh et al. (2012) describe the transnational family as broadly comprising family members who migrated and those who remained behind, and hence referring to any circumstances where people negotiate and maintain family relationships across political-geographic boundaries, particularly the boundaries of nation-states.

As aforementioned, my study links the body of literatures on *transnational family care* to economic research that has been done on *remittances and financial inclusion*. Doing this enables examining the practices of transnational family care through a *financial inclusion lens*. Applying a *financial inclusion lens* to the field of transnational family care enables the development of an understanding of how members of transnational families make use of financial services in their lives and integrate use of financial services in other transnational practices like remitting and care. In the same way, applying the *financial inclusion lens* also extends the largely quantitative body of economics literatures on *remittances and financial inclusion* by examining the subject from a different and more in-depth perspective of migrant transnationalism. Examining the subject of *remittances and financial inclusion* from the transnationalism perspective connects evidence from the daily life experiences of transnational family members to the broader nature of economic and cultural systems (Bailey, 2001). Moreover, an investigation of this kind also answers calls that have been made over the years for research that investigates the social and cultural dynamics underlying remittance processes (Wong, 2006).
Given that the conceptualisation of financial inclusion which I apply in my study combines both *access to and use of financial services* and *financial capability*, applying the *financial inclusion lens* also enables me to examine how sending or receiving remittances impacts on the financial capabilities of senders and recipients of remittances. Singh (2009) calls for more research that links the use of MIR to the dynamics of remittances by focusing on the effect of MIR on money management and control within transnational families. Money management and control is an important element of financial capability [see Figure 1.5 under Chapter 1 section 1.3 and Figure 3.1 under Chapter 3 section 3.3.1]. To the best of my knowledge, my study will be the first to investigate the effect of remitting on the financial capabilities of the senders of remittances. Most of the research that has investigated *transnational family money* (Singh et al., 2012) was conducted by anthropologists and sociologists whose main concern has not been how skilled transnational family members are in managing their financial resources or how they make use of financial services in their lives. My study will therefore make a contribution in this field.

Having reviewed the relevant background literatures for this study in the previous sections and drawn out the implications for my study, the following section shifts to discuss the Zimbabwean migrant community in the UK which is the case study of my research.

2.5 The Zimbabwean migrant community in the UK

Existing literature reports that Zimbabwe has experienced extensive out-migration from the late 1990s to date (Mbiba, 2005; Pasura, 2012). The causes of the exodus have been identified as mainly being ongoing economic and political crises in Zimbabwe (Bloch, 2008; Pasura, 2012). Regarding economic problems, Zimbabwe has experienced problems of hyperinflation that have stretched over long periods of time. For instance, in November 2008 the monthly inflation rate in Zimbabwe was claimed to have reached 79.6 billion percent (Toscano, 2011). Hyperinflation problems in Zimbabwe eased after the country adopted a multi-currency system in January 2009 that saw most transactions being conducted using the United States dollar (Chowa et al., 2014). However, the economic crisis resurfaced again some years later and the country consequently abolished the multi-currency system in June 2019, and promulgated legislation to the effect that the Zimbabwe dollar that had been re-introduced would be the sole legal tender in Zimbabwe for all
transactions (GoZ, 2019b). Following this, inflation soared again and the annual inflation rate was reported to have reached 837.53 percent in July 2020 (Ndlovu, 2020).

In the case of political issues, one of the major issues in Zimbabwe’s history is the Fast Track Land Reform Programme that was undertaken by the Zimbabwean government in the early 2000s. The programme involved the compulsory acquisition of land in the country for re-distribution to native Zimbabweans, without any compensation for the value of the land being provided to those who were dispossessed of the land (Cliffe et al., 2011). Compensation could however be provided for the value of improvements that had been added to the land, for example, farming equipment (ibid). The land reform programme has been linked to extensive out-migration from Zimbabwe because of the dire economic crisis that some argue resulted from the exercise (Dzingirai et al., 2015). Moreover, the late 1990s in Zimbabwe were characterised by strikes and protests because of declining standards of living, while the period from 2000 saw an increase in state violence (McGregor, 2008). These challenges also contributed to out-migration. Humphris (2010) reported how there were significant increases in the number of Zimbabweans who claimed asylum in the UK from 2000 until 2002 when Zimbabwe became the UK’s top asylum-seeking nation. Zimbabwean asylum applications declined after the imposition of visa requirements on Zimbabwe by the UK in 2002, but increased again from 2008 to 2009 because of increased political violence in Zimbabwe (ibid).

The UK is said to host the second largest proportion of the Zimbabwean diaspora after neighbouring South Africa and is thus thought to contribute a significant proportion of remittances sent to Zimbabwe (Magunha et al., 2009). Table 2.1 uses United Nations data to list the top ten countries Zimbabweans have migrated to and the estimated sizes of the population of Zimbabwean migrants in the countries. The table confirms that the majority of Zimbabwean migrants are located in neighbouring South Africa. The table is however based on official statistics only and does not take undocumented migrants into account. South African media sometimes claims that there are around 3 to 4 million Zimbabweans in South Africa though there is no empirical evidence of this (Crush and Tevera, 2010; Makina, 2010). Likewise, the number of Zimbabwean migrants in the UK is estimated to exceed 200 000 if undocumented migrants are taken into account (IOM, 2006; Pasura, 2012).
Table 2.1: Population of Zimbabwean migrants in top ten destination countries in 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>475 406</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>132 942</td>
</tr>
<tr>
<td>United States of America</td>
<td>50 001</td>
</tr>
<tr>
<td>Australia</td>
<td>38 843</td>
</tr>
<tr>
<td>Malawi</td>
<td>36 753</td>
</tr>
<tr>
<td>Botswana</td>
<td>31 625</td>
</tr>
<tr>
<td>Mozambique</td>
<td>25 429</td>
</tr>
<tr>
<td>Zambia</td>
<td>19 503</td>
</tr>
<tr>
<td>Namibia</td>
<td>13 247</td>
</tr>
<tr>
<td>Canada</td>
<td>11 118</td>
</tr>
</tbody>
</table>

Source: Compiled from UNDESA (2015) database

Zimbabweans who have migrated to the UK are mostly those who belonged to the middle- and upper-class families in Zimbabwe because migrating to the UK is usually expensive (Mbiba, 2005; McGregor, 2008). McGregor (2008) asserts that the filtering by class of Zimbabweans who managed to migrate beyond the southern Africa region was evident during the earlier phases of the exodus from Zimbabwe and cites evidence from a study by Bracking and Sachikonye (2007) that found that households located in the elite and middle-class residential areas of Zimbabwe’s capital city Harare accounted for a greater proportion of remittances from the UK in comparison to the less affluent high-density neighbourhoods. Furthermore, a lot of Zimbabweans in the UK are well-educated because of government policy in Zimbabwe which supports the attainment of education (Mbiba, 2005; Pasura, 2012).

Zimbabweans in the UK have migrated because of the aforementioned economic and political challenges, but others have also migrated in order to study or join family members in the UK (Bloch, 2008). Zimbabweans are spread across various locations in the UK and some of them have widely been employed in health, care, and education sectors, in addition to others who work in warehouses (Mbiba, 2005). McGregor (2008) notes that some of the Zimbabweans in the UK have ended up in unskilled and informal work despite having belonged to middle or elite classes in Zimbabwe.

Some of the studies that have been conducted have found that remitting is widely practised by Zimbabweans in the UK. From her survey that was completed by 500 Zimbabweans from various locations across the UK, Bloch (2008) observed that 80 percent of her respondents remitted money to Zimbabwe, mostly to support their
families. Similarly, from their ethnosurvey that gathered 307 survey responses from Zimbabweans living in Northern England, Magunha et al. (2009) found that 81.7 percent of their respondents sent family remittances to Zimbabwe. There is therefore an expectation that Zimbabweans in the UK would still be sending remittances home which makes the community an ideal group for investigating the effects of a technological innovation like MIR on remitting. The following section concludes this chapter by summarising the literatures that have been reviewed in the chapter.

2.6 Conclusions
The chapter discussed the state of the art on MIR. The review of the literature on MIR showed that relatively little empirical research has been done on MIR (for example, Singh, 2009; Morvant-Roux et al., 2017). Some of the studies in the field are desk research that has not involved any direct fieldwork investigations of the first-hand experiences of people who use MIR to send or receive remittances (for example, Mirabaud, 2009; Bettman and Harris, 2014). My study will therefore complement the limited empirical evidence on the effects of MIR by generating new evidence from a MIR corridor that has not been investigated before, that is, the UK to Zimbabwe MIR corridor.

The chapter has drawn linkages across the different bodies of literature on digital financial inclusion; remittances and financial inclusion; financial capability; and transnational family care. The major outcomes of creating the linkages have been to lay the foundation for the work my study will do in extending the economics literatures on remittances and financial inclusion to cover the micro-perspectives and socio-cultural issues found in the literatures on transnational family care. In this regard, my study aims to illuminate the micro-perspective of remittances and financial inclusion by focusing primarily on qualitative data and thus employing an approach that has not featured much in the literature. My study will hence complement the dominant macro-level economics literatures on remittances and financial inclusion with a micro-level perspective which is centred on transnational family care.

Finally, the chapter gave a background of the Zimbabwean migrant community in the UK, the group that will be investigated in the study. The discussion about the composition of the population of Zimbabweans in the UK will be continued in the
methodology Chapter 4 where more attributes of the group will be discussed (see section 4.6). The next Chapter 3 will first discuss the theoretical framework that is applied in the study.
Chapter 3: Theoretical framework

3.0 Introduction
As discussed in Chapter 1 (section 1.3), my study applies the broader conceptualisation of financial inclusion that encompasses *access to and use of financial services* and *financial capability* (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). Chapter 3 builds upon the literature review that was conducted in Chapter 2 to discuss the theoretical framework that is applied in the study.

The study applies a blended theoretical framework that comprises different elements that have been carefully selected from various academic literatures to investigate each of the components of financial inclusion in the conceptualisation that was adopted for the study. Schreiner’s (2002) model for outreach is applied to analyse the *access to and use of financial services* component, while Kempson et al.’s (2005) model is applied to examine the *financial capability* component of financial inclusion. The chapter also discusses other theoretical models that justify my choice of the Schreiner (2002) and Kempson et al. (2005) models and examines other broader theoretical perspectives from Financial development, Behavioural economics, and Personal finance that are relevant to my study.

The discussion in the chapter is organised as follows: Section 3.1 examines the economic relevance of financial inclusion, and section 3.2 provides further justification for applying the broader conceptualisation of financial inclusion that I chose for my study and introduces the theoretical models applied in the study. Sections 3.3 and 3.4 discuss the models applied to analyse the *financial capability* and *access to and use of financial services* components of financial inclusion respectively and justify the choices of the models. Sections 3.5 and 3.6 discuss other theoretical issues from Behavioural economics and Personal finance that influence financial capability; and section 3.7 discusses the conclusions from the chapter.

3.1 The economic importance of financial inclusion
The importance of *financial development* is well elaborated in the work of Ross Levine who highlights that *finance and growth* emerged as a distinct field of economics literatures from around 1990 when researchers integrated the fields of finance and economic growth, and began to examine the effects of the functioning of
financial systems on economic growth, income distribution, and poverty (Levine, 2021). To demonstrate how financial systems foster economic growth through influencing savings and investment decisions, Levine (2005) outlines five broad functions of the financial system where it eases information, enforcement, and transactions costs. These functions are: producing information ex ante about potential investments and allocating capital; monitoring investments and ensuring corporate governance after investment; facilitating the trading, diversification, and management of risk; mobilising and pooling savings; and, enabling payments and trade of goods and services (ibid). Consequently, Levine (2021, p.7) defines financial development as “the financial system’s ability to screen investments, exert governance, ease risk management, mobilize resources, and facilitate exchange”. Levine (2005) furthermore posits that financial development occurs when financial instruments, markets, and intermediaries reduce the effects of information, enforcement, and transactions costs and are hence more effective in providing the aforementioned five financial functions.

In explaining how financial development could affect poverty reduction, Zhuang et al. (2009) highlight two avenues through which this could happen, that is, indirectly through economic growth, and directly through poor people benefiting from accessing financial services. In the first case, economic growth could reduce absolute poverty by: creating jobs for poor people; reducing the wage differentials between skilled and unskilled labour at later stages of development; producing greater tax revenues; and, enabling governments to assign more fiscal resources to social funding which benefits poor people, for example, health, education, and social protection (ibid). The second avenue which pertains to access to financial services relates to financial inclusion which is the focus of my research. Financial inclusion can be taken to be a dimension of financial development and could be hence associated with the benefits that arise from the process and analysed alongside other indicators of financial depth (Barajas et al., 2022).

If a country mobilises vast amounts of funds, then it will probably be able to provide financial services to a large proportion of individuals and firms although the correlation is not perfect (Barajas et al., 2022). Sahay et al. (2015) argue that financial inclusion increases economic growth, because broader access to financial services by firms and households leads to higher growth. However, the marginal
benefits for growth wane as both financial inclusion and depth increase, hence the benefits could be low, or even negative, for some advanced economies (ibid). Moreover, some studies claim that there are trade-offs between financial inclusion and financial stability because large financial systems are more prone to instability, and rapid expansions in credit are often precursors to financial crises (Sahay et al., 2015; Barajas et al., 2022).

Despite the importance of fostering financial inclusion for economic growth, there could be some trade-offs between promoting financial inclusion and the attainment of profit returns by financial service providers (Gallego-Losada, 2022). This is because it is costly for such providers to provide conventional financial services to some marginalised groups like people who live in remote rural areas. It is here that the provision of financial services through digital technologies has demonstrated potential to enable faster, cheaper, and more efficient implementation of financial inclusion of some marginalised groups, and thus improve the sustainability of the financial services provided (Porteous, 2006; Klapper and Singer, 2014). Consequently, by virtue of the effect of digital financial services on fostering financial inclusion, digital financial services may hence be linked to financial development and economic growth (Ahmad et al., 2020). Nonetheless, there are also some barriers that affect digital financial services like poor internet access and digital illiteracy (Gallego-Losada, 2022).

Despite the fact that the effects of financial development on economic growth have been widely studied, the literature on the nexus between financial development and income distribution is still nascent (Clarke et al., 2006; Zhang and Ben Naceur, 2019). Although a lot of studies argue that financial development fosters growth, it is not clear whether financial development benefits the whole population equally, or whether it disproportionately benefits either the rich or the poor (Clarke et al., 2006; Beck et al., 2007; Levine, 2021). Academic theory provides conflicting predictions about the impact of financial development on the distribution of income and the incomes of poor people (Beck et al., 2007; Levine, 2021).

As already discussed, one strand of literature claims positive effects of financial development on the distribution of income and the incomes of poor people, and suggests that financial development helps poor people by improving the efficiency of
capital allocation and by easing credit constraints, which reduces income inequality (Beck et al., 2007; Levine, 2021). Some of these studies have argued that financial development can directly contribute to poverty reduction through improving poor people’s access to financial services and hence reducing income inequalities, increasing job opportunities, improving consumption, and helping poor people to manage risks or financial shocks (Klapper and Singer, 2014). Furthermore, studies claim that financial development reduces information and transaction costs, and hence permits more micro-entrepreneurs to access business finance, thus impacting people living in poverty (Zhuang et al., 2009).

From their investigation, Beck et al. (2007) argue that financial development reduces income inequality; boosts the growth rate of the income share of those at the lower end of the income distribution; and is associated with faster decreases in extreme poverty. In the same vein, Zhang and Ben Naceur (2019) argue that strengthening financial access, depth, stability, and efficiency contributes to reducing income inequality and poverty. Likewise, Clarke et al. (2006) and Levine (2021) claim that financial development reduces inequality and that as the financial sector expands, poor people could gain access to credit facilities; hence finance could offer equal economic opportunities for marginalised groups. Moreover, by expanding financial access, financial development could stimulate the formation of new firms as well as the growth of small firms (Levine, 2021). In addition, financial development could also spur the dynamism of labour markets so workers could search for employment opportunities in an environment where many firms compete for their services, which could increase the relative demand for low-skilled workers and reduce inequality and poverty (ibid).

A different strand of literature however critiques the claims of positive effects of financial development on the distribution of income and the incomes of poor people, and argues that given the challenges of adverse selection and moral hazard that prevail in financial markets, poor people who lack collateral may still find it difficult to access credit even when financial markets are well developed (Clarke et al., 2006). Hence, if financial development fosters growth by only increasing the incomes of the rich, and consequently increasing income inequality, then the income distribution effect could erode the potential beneficial effects of financial development on poor people (Beck et al., 2007; Levine, 2021).
Levine (2021) discusses studies that change the claim that financial development reduces income inequality. For example, Jauch and Watzka (2016) as well as de Haan and Sturm (2017) argue that financial development is associated with increases in income inequality; while Kim and Lin (2011) and Law et al. (2014) argue that financial development only reduces inequality in countries that have specific pre-existing conditions, for example, well-developed financial and governance systems. In the same vein, Zhang and Ben Naceur (2019) cite another strand of literature that claims an inverted-U relationship between finance and income inequality which is similar to the Kuznets curve (Kuznets, 1955 cited from Zhang and Ben Naceur, 2019) where inequality widens at early stages of economic development and gradually improves as development matures.

This section has examined the linkages between financial development, financial inclusion, economic growth, income inequality, and poverty and the contested relationship between them in academic studies. The discussion explained that financial inclusion can be taken to be a dimension of financial development and could be hence associated with the benefits that arise from the process (Barajas et al., 2022), and that because of the effect of digital financial services in fostering financial inclusion, digital financial services may thus be linked to financial development and economic growth (Ahmad et al., 2020). Having established this, the following section moves on to discuss my conceptualisation of financial inclusion and the theoretical models applied in my study.

3.2 Conceptualisation of financial inclusion and theoretical models applied

The objective of applying a broader conceptualisation of financial inclusion that encompasses access to and use of financial services and financial capability in my study (see Chapter 1, section 1.3) was to shed light on the importance of the financial capability component of financial inclusion that has not featured much in the research done on remittances and financial inclusion, as well as research done on mobile-money services and financial inclusion (see Chapter 2, section 2.3). The risks of focusing on one component of financial inclusion only, that is, access to and use of financial services, while ignoring financial capability have already been highlighted in the literature. As Deb and Kubzansky (2012) warn, problems of over-indebtedness of borrowers could arise from efforts to promote access to financial services at the expense of neglecting financial capability. It is in this regard that past lessons that
were learnt from efforts to extend access to finance by low-income communities through microfinance are relevant.

The extension of credit to low-income communities through microfinance resulted in some unintended problems of over-indebtedness of the borrowers (Schicks, 2010 and 2014). According to Schicks (2010, p.6), ‘a microfinance customer is over-indebted if he or she is continuously struggling to meet repayment deadlines and repeatedly has to make unduly high sacrifices to meet his or her loan obligations’. If the current financial inclusion efforts are to avoid the problems that microfinance experienced, then more attention needs to be given to financial capability as an important component of financial inclusion, like some researchers have already argued (Deb and Kubzansky, 2012; Ledgerwood et al., 2013). As Deb and Kubzansky (2012) posit, efforts to simply improve financial access without also improving financial capability are inadequate, unsustainable, and potentially harmful.

Some studies have already emerged in the literature reporting cases where efforts that focused on one component of financial inclusion only, that is, extending access to and use of financial services only, have started experiencing problems like over-indebtedness and defaults on loans (for example, Fanta and Makina, 2019; Iazzolino and Mann, 2019). Although specifically commenting on the case of smallholder rural farmers who had received credit through financial inclusion programmes in Kenya, Iazzolino and Mann (2019, p.1) lamented how ‘… it was a paradox, and a sad one, that those supposedly most targeted by the financial inclusion agenda ended up being blacklisted by credit reference bureau, thus hindering their access to loans in the future’, because they had defaulted on loans they had borrowed. My research therefore aims to further illuminate the crucial role of financial capability as a component of financial inclusion.

Following the aforementioned broader conceptualisation of financial inclusion adopted for the study, I applied two theoretical models in my study - one to examine the access to and use of financial services component of financial inclusion, and the other to examine the financial capability component. The access to and use of financial services component could have been examined through either a theory that analyses adoption of information and communication technologies (because MIR is a form of ICT), or one that examines the outreach of financial services (since MIR is
also a financial service). In the case of theories that examine the adoption of ICTs, one of the major theories in that field is the Technology Acceptance Model that was developed by Davis (1986). Concerning outreach, different models have been developed and these include the “Social benefits of microfinance for poor clients framework” for outreach by Schreiner (2002). Section 3.4 discusses the origins and previous use of the models by Davis (1986) and Schreiner (2002), and justifies the choice of the model I applied in my study.

The financial capability dimension of financial inclusion could have been examined through various models that have been developed worldwide. Some examples are the model that was developed by Kempson et al. (2005) for the UK and the model that was developed by the Financial Industry Regulatory Authority Investor Education Foundation (FINRA Foundation, 2009) for the USA. The following section 3.3 discusses the origins and use of different financial capability models and also justifies the choice of the model I applied in my study.

3.3 Examining financial capability
Various models have been developed for the purpose of investigating financial capability. One of the major models was developed by Kempson et al. (2005) and was applied when conducting the world’s first national financial capability survey which was conducted in the UK. Kempson et al.’s (2005) pioneering model and other models that could have been applied in my research are discussed in the following sections starting with Kempson et al.’s (2005) model in section 3.3.1.

3.3.1 Kempson et al.’s (2005) model of financial capability
Kempson et al.’s (2005) pioneering model of financial capability was developed for a nationwide study that was commissioned by the then Financial Services Authority (FSA) to establish the state of financial capability in the UK (Kempson et al., 2005). Atkinson et al. (2007, p.30) labelled the study by Kempson et al. (2005) ‘the first quantitative baseline survey of financial capability in the UK, which was … described by the OECD as the most comprehensive study in the world’. Kempson et al.’s (2005) model outlines four domains of financial capability as shown in Figure 3.1. Following its use in the FSA’s UK survey, Kempson et al.’s (2005) model was also adopted by other countries and applied to conduct their own national financial capability surveys. Notable examples of countries that have applied Kempson et al.’s
(2005) model when conducting their national surveys are Ireland (see O’Donnell and Keeney, 2009) and Canada (see Arrowsmith and Pignal, 2010).

Figure 3.1: The four domains of financial capability by Kempson et al. (2005)

The four domains of financial capability

Managing money
People who are financially capable will:
• Be making ends meet or, if they had a high income, not consistently have nothing left over at the end of the month.
• Keep track of their finances.
• Plan for predictable future expenses such as infrequent bills.

Planning ahead
People who are financially capable will:
• Have some provision to cover a loss of income.
• Be able to meet a major expense without borrowing.
• Have made provision for anticipated major expenses.
• Be making adequate provision for their retirement.

Choosing products
People who are financially capable will:
• Shop around to get the best value financial products.
• Take steps to ensure they get the products that were most suitable for them.
• Make sure they know what is in the ‘small print’.

Staying informed
People who are financially capable will:
• Keep abreast of things likely to impact on their finances.
• Know key features of the products they hold.
• Be able and willing to deal with problems or complaints should they arise.

Source: Atkinson et al. (2007, p.31)

Some studies in the field of mobile-money services and/or financial capability have also applied the model of financial capability that was developed by Kempson et al. (2005). Notable are Godinho and Russell (2013) who applied Kempson et al.’s (2005) model in their research which aimed to develop a model for studying sustainable financial inclusion of Indigenous Australians. In a different study, Fang (2014) also applied Kempson et al.’s (2005) model of financial capability in his doctoral research of the impacts of mobile-money services on subsistence
marketplaces in rural Cambodia. Fang applied Kempson et al.’s four domains of financial capability when analysing the impact of mobile-money on the financial capabilities of his respondents. Furthermore, another study by Yeo and Fisher (2017) also applied Kempson et al.’s (2005) model when investigating the effect of using mobile financial services on financial capabilities of users in the USA.

The following section critically evaluates the appropriateness of Kempson et al.’s (2005) model for my study vis-à-vis the alternative models that could have been applied.

3.3.2 Evaluation of appropriateness of Kempson et al.’s (2005) model for the research

In addition to the aforementioned successful application of Kempson et al.’s (2005) model in other studies, I also chose to apply Kempson et al.’s (2005) model in my research because it was the most comprehensive study of financial capability in the UK that was available. Since my research investigated the Zimbabwean migrant community in the UK, I found it appropriate to apply the most comprehensive model of financial capability that had been developed for the country my respondents lived in, that is, the UK. Notable alternative models that could have been applied in my study instead of Kempson et al.’s (2005) model are the theoretical models of financial capability that were developed by FINRA Foundation (2009) and Kempson et al. (2013). I will discuss these models in the following paragraphs.

The study by Kempson et al. (2013) started off in eight LMICs around the world and applied inductive methods to determine the key components people associated with financial capability. Kempson et al. (2013) consequently developed ten components of financial capability which were supposedly comparable across different countries. The components were: budgeting, living within means, monitoring expenses, using information, not over-spending, covering unexpected expenses, saving, attitude toward the future, not being impulsive, and achievement orientation (ibid). As discussed in Chapter 2 (section 2.3), Kempson et al. (2013) argued that the theoretical model they developed was more appropriate for the conditions in LMICs.

FINRA Foundation commissioned the first national financial capability survey (US-NFCS) of the USA in 2009 (FINRA Foundation, 2009). Mottola and Kieffer (2017, p.32) summarised the US-NFCS’s components of financial capability as follows:
The NFCS focuses on four components of financial knowledge and behaviour—Making Ends Meet, Planning Ahead, Managing Financial Products, and Financial Knowledge and Decision-Making. “Making Ends Meet” examines whether respondents can pay their bills and/or whether they spend more than their income. “Planning Ahead” examines savings behaviours, like saving for retirement, a rainy day, or a child’s college education. “Managing Financial Products” explores the financial products that respondents use and whether they use them effectively. The “Financial Knowledge and Decision-Making” component contains a financial literacy quiz, as well as self-assessments of financial knowledge, behaviour, and numeracy.

One key difference between Kempson et al.’s (2005) pioneering model and FINRA Foundation’s (2009) adaptation of the model for the USA study was the existence of a “Financial knowledge and decision-making” domain under FINRA Foundation’s model which did not exist separately under Kempson et al.’s model. Instead, Kempson et al.’s model had a domain of “Staying informed” which did not exist separately under FINRA Foundation’s model.

I specifically found Kempson et al.’s (2005) model more appropriate than the alternative model by Kempson et al. (2013) because I judged that Kempson et al.’s (2013) model would have been more ideal when conducting a study of the recipients of remittances in Zimbabwe and not the migrants in the UK. This was because the model was designed for use in LMICs and not a high-income country like the UK. Furthermore, although FINRA Foundation’s (2009) model was also designed for use in a developed country, the USA, I still found Kempson et al.’s (2005) model more appropriate for use in my study since it was specifically designed for use in the UK where my research was conducted and its focus was more relevant to my study’s requirements.

Despite the fact that I found it more appropriate to apply Kempson et al.’s (2005) model in my study instead of the alternative models by FINRA Foundation (2009) and Kempson et al. (2013), there are some limitations to my choice. First, is that fact that Kempson et al.’s (2005) model is less adapted to the needs of LMICs than Kempson et al.’s (2013) model which was later developed for LMIC contexts. This was an important factor to consider in my study because, as aforementioned, I could either apply a model that was designed for the UK where my migrant respondents lived, or one that was designed for Zimbabwe, the respondents’ country of origin and
the destination of most of the remittances they sent. I found it more appropriate to apply a model that was designed for the UK since this is where the respondents lived, worked, and used financial services that were offered by the financial institutions in that country. I judged that Kempson et al.’s (2013) model would have been more appropriate if I was collecting data from the recipients of the remittances in Zimbabwe since the model was developed for LMICs.

In the case of the alternative model by FINRA Foundation (2009) which was also designed for another high-income country, the USA, as aforementioned, I found Kempson et al.’s (2005) model more appropriate for the same reason that it was specifically developed for the UK. Furthermore, although the domain of “Financial knowledge and decision-making” under FINRA Foundation’s model would have yielded useful insights, I found Kempson et al.’s domain of “Staying informed” important to my study of remittances. This was because remittance-senders needed to keep abreast with financial issues like foreign exchange rate fluctuations which affected the monetary values of the remittances they sent.

The other factor I evaluated was how effective Kempson et al.’s (2005) model was in investigating the experiences and circumstances of marginalised groups, for example, people living in poverty, women, and people living in rural areas. This was important because some of the questions in the online survey I designed were meant to investigate whether the respondents were using MIR to send remittances to recipients of marginalised backgrounds (see Chapter 4, section 4.5). In this regard, I found Kempson et al.’s model limited in scope because it was not specifically designed with a focus of investigating marginalised groups. This limitation of Kempson et al.’s model led me to combine Kempson et al.’s model with another different model which could effectively analyse the experiences of marginalised groups. My theoretical framework hence also includes the model of outreach which was developed by Schreiner (2002) which I found effective in investigating the experiences of marginalised groups. I will discuss Schreiner’s model in detail under section 3.4.2. Before that, the following section 3.3.3 briefly discusses how I applied Kempson et al.’s (2005) model in my study.
3.3.3 Application of Kempson et al.’s (2005) model in the research

I applied Kempson et al.’s (2005) model of financial capability in my study when I designed the guide for the semi-structured interviews I conducted. I designed the semi-structured interview questions which related to financial capability based on Kempson et al.’s domains of financial capability. The semi-structured interview questions investigated how sending remittances had affected the respondents’ financial capabilities as reflected by Kempson et al.’s (2005) domains of managing money, planning ahead, choosing products, and staying informed (see Appendix 4.2, questions 8 to 11). In addition to this, I also applied Kempson et al.’s (2005) model when I designed some questions on my survey questionnaire which investigated financial capability. The questions required that the respondents evaluate their own levels of financial capability and were structured using Kempson et al.’s (2005) conceptualisation of financial capability (see Appendix 4.1, questions 39 and 40). Please refer to Chapter 4 (section 4.5) for further discussion about the data collection instruments used in my study and how they were informed by my theoretical framework. The following section moves on to discuss how I analysed the use of MIR in my study.

3.4 Examining the use of MIR

As aforementioned, two approaches could have been taken in order to examine the use of MIR. The first approach would have been to apply a theory that examines the adoption of ICTs since MIR is a form of ICT. In this regard, Davis' (1986) Technology acceptance model has been widely used for such investigations. The second approach would have been to apply a model that examines the outreach of MIR as a financial service. These two options are further discussed in the following sections.

3.4.1 Technology acceptance model (TAM) by Davis (1986)

The TAM, which was introduced by Fred Davis in 1986, has become the leading model that is used to study determinants of the adoption of information technology (Luarn and Lin, 2005; Bagozzi, 2007; Tobbin, 2012; Chauhan, 2015; Marangunic´and Granic, 2015). Marangunic´and Granic (2015) explain how Davis (1986) adapted the psychology theories of Reasoned action and Planned behaviour to propose the TAM which suggests that the user’s motivation can be explained by three factors: perceived ease of use (PEOU), perceived usefulness (PU), and attitude toward using (ATU). Davis defines PU and PEOU as follows in his
pioneering work: PU is "the degree to which a person believes that using a particular system would enhance his or her job performance" (Davis, 1989, p.320); and PEOU is "the degree to which a person believes that using a particular system would be free of effort" (ibid, p.320).

An illustration of the TAM is presented in Figure 3.2. Davis hypothesized that ATU was a major determinant of whether the user would actually use or reject the system (Marangunic and Granic, 2015). ATU, in turn, was considered to be influenced by two major beliefs, PU and PEOU, with PEOU having a direct influence on PU (ibid). X1, X2 and X3 are external variables (Lule et al., 2012).

Figure 3.2: Technology Acceptance Model

Marangunic and Granic (2015) provide a list of studies that show the application of the TAM in different studies that include acceptance of: internet banking systems, e-learning systems, e-mail systems, digital library systems, wireless internet, healthcare information systems, and technology in workplaces. Of greater relevance to my research are studies that have applied the TAM to investigate the adoption of mobile financial services (for example, Luarn and Lin, 2005; Schierz et al., 2010; Lule et al., 2012; Tobbin, 2012; Chauhan, 2015; Yeo and Fisher, 2017; Alhassan et al., 2020).

Despite the widespread use of the TAM, the model has however been criticised for its limitations. Bagozzi (2007) argues that the TAM is too simple and leaves out important variables and processes. In his criticism, Bagozzi claims that weaknesses
of the TAM include the absence of a sound theory and method for identifying the
determinants of PU and PEOU; and, the neglect of group, social, and cultural
aspects of decision making (ibid). Luarn and Lin (2005) furthermore argue that one
of the TAM’s limitations is the assumption that its use is volitional, that is, that there
are no barriers to prevent an individual from using an information system if he or she
chooses to do so.

Some researchers have consequently proposed extensions to Davis’ (1986) TAM.
For instance, Luarn and Lin (2005) added three constructs to the original TAM
namely: perceived credibility (PC), perceived self-efficacy (PSE) and perceived
financial cost (PFC). They defined perceived self-efficacy as judgment of one’s ability
to use mobile-banking; perceived financial cost as the extent to which a person
believes that using mobile-banking will cost money; and perceived credibility as the
extent to which a person believes that the use of mobile-banking will have no
security or privacy threats (ibid). Lule et al. (2012) also applied the three additional
constructs that were introduced by Luarn and Lin (2005) in their study, but
furthermore introduced another construct termed perceived normative pressure
(PNP). They defined perceived normative pressure as “a person’s perception that
most people who are important to her or him should or should not perform the
behaviour in question” (Lule et al., 2012, p.34).

Tobbin (2012) also added two constructs to the TAM in his study namely perceived
economic factors (PEF) and perceived trust (PT). Perceived economic factors refers
to the availability of surplus money being a determinant in adopting mobile-banking
(Tobbin, 2012). Tobbin described three forms of trust: first, the trust of the unbanked
in the technology being offered; then the trust of the mobile network operator; and
finally, the trust of the agents (ibid). The construct of perceived trust was furthermore
applied in the study of the adoption of mobile-money in India by Chauhan (2015).

The following section 3.4.2 discusses Schreiner’s (2002) model for outreach before
the discussion reverts to justifying why I found it more appropriate to apply
Schreiner’s model in my study instead of Davis’ (1986) TAM in section 3.4.3.
3.4.2 Social benefits of microfinance framework for outreach by Schreiner (2002)

Schreiner (2002) refers to his model as the “Social benefits of microfinance for poor clients framework” and it comprises six aspects of outreach namely worth, cost, depth, breadth, length, and scope. The concept of outreach has often been employed when examining the progress made by interventions that aim to improve access to finance, particularly in the case of microfinance (for example, Cull et al., 2007; Mersland and Strøm, 2008; Hermes et al, 2011). Outreach can be defined as “the extending of services or assistance beyond current or usual limits” (Merriam-Webster, n.d.).

Schreiner’s (2002) model is rooted in the benefit-cost analysis conceptual framework (Woller and Schreiner, 2004). Schreiner developed the model in order to assess the social benefits for poor people that result from microfinance services. Microfinance services are commonly provided in two major forms which are the poverty approach and the self-sustainability approach (Schreiner, 2002). The poverty approach targets very poor clients who are costly to serve, while the self-sustainability approach targets less-poor clients on the fringes of the formal financial system (ibid).

Microfinance institutions (MFIs) are unique in comparison to other financial institutions in that they have to meet both financial and social objectives (Gutiérrez-Nieto et al., 2007). This means MFI activities must result in some form of social benefit to people, for example, poverty alleviation or serving women, in addition to achieving financial returns for the lending institution.

Schreiner’s (2002) six aspects of outreach are described as follows:

- **Worth** of outreach to clients is their willingness to pay for the service (Schreiner, 2002, p.592).
- **Cost** of outreach to clients is the sum of price costs and transaction costs. Price costs are direct cash payments for interest and fees. Transaction costs are non-price costs such as the time to apply for a loan or getting transport to use a financial contract (ibid, p.593).
- **Depth** of outreach is the clients’ poverty level or other social preferences like the percentage of women reached (Mersland and Strøm, 2008, p.599).
- **Breadth** of outreach is the number of clients that are served (Schreiner, 2002, p.595).
Length of outreach is the time frame over which the microfinance services are supplied (ibid, p.596).

Scope of outreach is the number of types of financial contracts supplied (ibid, p.596).

Schreiner’s (2002) model has previously been applied in research and practice. Notable, is Woller (2006) who developed the “Social Performance Assessment” tool for MFIs which integrated Schreiner’s model in its design (Hashemi, 2007). Furthermore, Mersland and Strøm (2008) also applied Schreiner’s model in their research of whether ownership structure affected the performance of MFIs.

Mersland and Strøm (2008) applied Schreiner’s (2002) model to investigate whether MFIs that were owned by non-government organisations (NGOs) were more socially-oriented than MFIs that were owned by shareholders. Mersland and Strøm took the aspects of Schreiner’s model as dimensions of performance of MFIs and tested whether there were differences between the performance of NGO and shareholder MFIs. Mersland and Strøm excluded the aspect of worth from their study because they deemed it difficult to measure quantitatively because of its qualitative nature. Likewise, regarding the aspect of cost, they concentrated on monetary costs that constituted the MFIs’ revenue and not transaction costs. Mersland and Strøm found that NGO MFIs were not more socially-oriented than shareholder MFIs.

Woller’s (2006) Social Performance Assessment tool comprised a social performance scorecard and a social audit. The scorecard consisted of seven dimensions of outreach. Six of the seven dimensions of outreach were adopted from Schreiner’s (2002) model and these were worth, cost, depth, breadth, length, and scope. Woller however added a seventh dimension of outreach to the community which was synonymous with corporate social responsibility (Woller, 2006).

The social performance audit in Woller’s tool was intended to provide independent assurance of the accuracy of the information reported by the MFI and the quality of the MFI’s internal processes (Woller, 2006). In the end, the results of the scorecard and audit were combined to obtain an overall social performance rating (ibid). More tools for examining social performance were developed after Woller’s (2006) tool and the practice of social performance measurement has developed significantly since then. Notable amongst the tools, is the CERISE Social Performance Indicators tool.
which includes outreach to poor people and excluded populations in its evaluation of social performance of MFIs (Hashemi, 2007). The following section critically evaluates the decision to apply Schreiner’s (2002) model in my study.

3.4.3 Evaluation of appropriateness of Schreiner’s (2002) model for the research

As discussed under section 3.3.2, the strength of combining Kempson et al.’s (2005) model with Schreiner’s (2002) model in my theoretical framework was that Schreiner’s model was more effective in investigating experiences of the exclusion of marginalised groups than Kempson et al.’s model. This is because Schreiner’s model was specifically designed for purposes of evaluating microfinance projects which are themselves meant to provide financial services to marginalised groups, particularly people who live on lower incomes. I hence found it appropriate to apply Schreiner’s model in my study instead of Davis’ (1986) TAM because of this strength that Schreiner’s model could effectively investigate issues of poverty and inequality which Davis’ TAM was not designed to do since it only examines the adoption of information technologies. Since Schreiner’s model was designed to evaluate a financial inclusion initiative, that is, microfinance, the model therefore covers aspects that are relevant to mobile-money services, and consequently MIR, which are also financial inclusion initiatives. In this regard, Schreiner’s aspect of depth of outreach supports the purpose of my research very well and is useful in assessing whether MIR reach financially-excluded populations.

The importance of the aforementioned strength of Schreiner’s (2002) model is justified by the fact that microfinance and mobile-money services are expected to yield some social benefits to society, for example, serving people who live in poverty. In the case of mobile-money services, in the Kenyan context, Suri and Jack (2016, p.1288) claimed that “access to the Kenyan mobile-money system M-PESA increased per capita consumption levels and lifted 194 000 households, or 2% of Kenyan households, out of poverty”. As I have already highlighted (see Chapter 1, section 1.2), the MIR service uses mobile-money to transmit international remittances. The claims of mobile-money services having some form of social benefits hence influenced me to apply a theoretical model that could evaluate the social benefits of MIR in my study. It is against this background that I applied
Schreiner’s model in my research, as it could evaluate the social benefits of MIR in addition to the economic and technological benefits.

In addition to the previous arguments, Schreiner’s (2002) model also includes the number of people who are using a service in its analysis, that is, breadth of outreach. This feature is useful in being able to compare the number of respondents who use MIR in comparison to those using other money transfer methods. In contrast, the TAM does not appear to consider the number of people who are using a particular system in its analysis, and pays no attention to the number of users. I therefore found Schreiner’s model more appropriate for my study since it supported the comparison of the number of respondents who were using different money transfer methods which gave a clearer picture of the adoption of MIR.

There are however some limitations of Schreiner’s model. These are reflected in the strengths that Davis’ (1986) TAM has over Schreiner’s model. In this regard, Davis’ TAM is more focused and capable of examining the actual factors that drive the adoption of MIR more closely by virtue of its design. Although it may be argued that some of these factors could be captured under Schreiner’s aspect of worth, the analysis may not be as comprehensive as what would have been done under the TAM. There is hence a limitation of applying Schreiner’s model in that it does not analyse the factors that drive the adoption and use of MIR in depth and as effectively as Davis’ TAM could.

Overall, although Schreiner’s (2002) model has only been applied to assess outreach of MFIs, I found it appropriate for evaluating mobile-money services that are also meant to yield social benefits. Moreover, similar social benefits have also been claimed for financial inclusion - it is claimed that broader access to and use of financial services can reduce income inequality, boost job creation, accelerate consumption, increase investments in human capital, and directly help poor people manage risk and absorb financial shocks (Klapper and Singer, 2014). These claimed social benefits further justify my choice of Schreiner’s model since it can evaluate the social benefits of MIR in ways that Davis’ TAM cannot do.

I consequently argue that some of the limitations of Davis’ (1986) TAM, and the extensions that have been consequently added to the TAM (see section 3.4.1), justify why I found Schreiner’s (2002) model more appropriate than the TAM for the
purposes of investigating the usage of MIR. For instance, Luarn and Lin’s (2005) additional construct of perceived financial cost, which is related to Tobbin’s (2012) construct of perceived economic factors, is covered under Schreiner’s (2002) aspect of cost of outreach. Likewise, Luarn and Lin’s additional constructs of perceived credibility and perceived self-efficacy, as well as Tobbin’s construct of perceived trust can be addressed under Schreiner’s aspect of worth of outreach. This further justifies why I found Schreiner’s model more appropriate for my study. At the same time, I have also indicated potential weaknesses in Schreiner’s model. The following section discusses how I adapted Schreiner’s model for use in my study.

3.4.4 Adapting Schreiner’s (2002) model for application in the research

In order to be able to apply Schreiner’s (2002) model in my study, I had to make some changes and adapt the model for use in evaluating money transfer methods. The adjustments that I made to the aspects in Schreiner’s model were as follows:

— **Worth:** As with Schreiner’s model, worth of outreach was the respondents’ willingness to pay for the money transfer service. My investigation of worth involved examining the extent to which the respondents valued MIR and found the service useful. Furthermore, I separated the analysis into positive worth, that is, factors that made respondents more willing to pay for the service; and negative worth, that is, factors that made respondents less willing to pay for the service.

— **Breadth:** Following Schreiner’s model, I described breadth of outreach as the number of respondents using a particular money transfer method. The analysis hence focused on determining the number of respondents who used MIR to send remittances and comparing this to the number of respondents who used the alternative transfer methods.

— **Cost:** In line with Schreiner’s model, cost of outreach was the sum of price costs and transaction costs. Price costs are direct cash payments, while transaction costs are non-price costs like time (ibid). Cost of outreach hence represented the overall cost of using MIR to send or receive remittances in comparison to the alternative transfer methods.

— **Depth:** As with Schreiner’s model, depth of outreach was the respondents’ ‘poverty level or other social preferences like the percentage of women reached’ (Mersland and Strøm, 2008, p.599). My study employed two major proxies of
depth and these were the use of MIR to send remittances to rural parts of Zimbabwe, and use of MIR to send or receive remittances by women. Although it would have been useful to have another depth proxy of use of MIR by people living in poverty, I did not manage to investigate this because of fieldwork challenges that I experienced which resulted in me not having data that were suitable for such an investigation (see Chapter 4, section 4.4).

I excluded Schreiner’s (2002) aspects of scope and length from my study because they were less relevant and also difficult to analyse using the data from the migrant respondents who participated in my study. As aforementioned, according to Schreiner, length is the time frame over which the services are supplied; and scope is the number of types of financial contracts supplied. In their application of Schreiner’s model in their study, Mersland and Strøm (2008) used the financial accounting return on assets ratio as the proxy for length. Furthermore, they used the number of loan products and total voluntary savings as proxies for scope. These proxies show that data from the financial service providers would be required to investigate the aspects of length and scope. The data I gathered from my fieldwork were not suitable for these purposes.

The focus of the following sections reverts to the subject of financial capability and the discussion examines broader theoretical issues that could influence financial capability.

3.5 Perspectives from Behavioural economics

Reflections on the results of the UK FSA (2006) Baseline Survey that was conducted using Kempson et al.’s (2005) model led to realisations that improving financial capability required long-term changes in attitudes, habits, and behaviour towards money, and that measuring such changes was difficult (de Meza et al., 2008). This challenge led the FSA to commission de Meza et al. (2008) to conduct an academic literature review of behavioural economics literature to establish what the literature said about consumer behaviour when making financial decisions, and the possible effects of financial capability interventions on behaviour. Based on the literature they reviewed, de Meza et al. argued that much of the variation reported in the FSA (2006) Baseline Survey could be explained by psychological rather than informational differences, and that people’s behaviour could be mainly influenced by
their intrinsic psychological attributes rather than acquired information or skills. De Meza et al. hence claimed that financial capability interventions that were designed to inform or educate could only yield positive but modest impact.

This section summarises the major arguments made in the paper that was prepared by de Meza et al. (2008) as a means of highlighting other broader theoretical issues that influence the study of financial capability. De Meza et al. argue that the field of behavioural economics identifies some systematic biases that influence individual financial decisions and these include cognitive biases like procrastination, regret and loss aversion, mental accounting, and status quo bias. These biases are discussed in the following paragraphs.

Procrastination happens when people delay in taking action despite understanding that urgent action is required. De Meza et al. (2008) claim that the scores for the FSA (2006) Baseline Survey for Kempson et al.'s (2005) domain of planning ahead were affected by people’s tendency to procrastinate, and that procrastination could furthermore potentially affect all the four domains of financial capability under Kempson et al.’s model. Procrastination is characterised by people’s tendency to have high short-term discount rates but lower long term discount rates, that is, hyperbolic discounting. This leads to effects like credit card borrowing at high interest rates and being reluctant to carry out difficult activities like financial planning. Procrastination could cause problems with individual investment decisions as the desire for instant gratification could lead people to make decisions that are not appropriate for their long-term interests, for example, overspending on credit cards. People’s preferences tend to be time inconsistent; they save too little, and spend far more than they intend to.

De Meza et al. hence posit that the pursuit for instant gratification without considering the long-term costs is probably a factor that influenced the scores under the FSA (2006) Baseline Survey capability of living within one’s means. Moreover, people could also procrastinate when they have to make difficult decisions which de Meza et al. argue affects the FSA Baseline Survey capability of shopping around. My study also identified other constraints that limit people’s capability of shopping around in the case of remittance services and these are discussed in Chapter 7 under sections 7.5.2 to 7.5.4.
De Meza et al. also argue that loss aversion and regret aversion could influence Kempson et al.’s domains of choosing products and staying informed. Loss aversion refers to instances where people weigh losses about twice as much as gains, that is, that people find experiencing losses more painful than the joy of gains. Prospect theory by Kahneman and Tversky (1979) is notable in this regard. Loss aversion could also increase with age, income, and wealth. On the other hand, regret aversion refers to how people consider the emotional consequences of decisions, especially regret, before making decisions. There is potential for regret in most financial decisions particularly those involving investing money in different financial assets that could either under- or out-perform each other. De Meza et al. claim that loss aversion and regret aversion could influence the way people make financial decisions and hence their capabilities to choose products and stay informed.

In addition, de Meza et al. also claim that mental accounting, that is, people’s tendency to construct artificial budgets that cover various kinds of spending and saving, has an effect on Kempson et al.’s domain of managing money through affecting their capability to keep track of their finances. People sometimes group their financial assets into different non-fungible mental accounts that are meant to serve different purposes, for example, an individual could exhaust the money they allocated to their movies mental account but still have money to spend on buying books in their books mental account. Furthermore, people could spend some kinds of income or wealth but not others, for example, whereas they could use money in a current account, they may not use money in retirement or pension policies (see section 3.6.3 below for more about mental accounting).

Moreover, de Meza et al. argue that status quo bias, that is, people’s tendency to maintain their previous choices, influences Kempson et al.’s domains of choosing products and staying informed. Status quo bias refers to people’s tendency to avoid changing their behaviour or strategies and could arise from the other biases that have already been discussed above. Status quo bias arises because mistakes that result from committing certain acts tend to result in greater regret than mistakes that result from omission. People hence sometimes find the potential unfavourable consequences of a change more painful than the favourable consequences that could arise from the change. My study also identified instances where respondents
were reluctant to change the remittance services they were used to for different reasons which are discussed in Chapter 7 under section 7.5.2.

Overall, de Meza et al. argue that the biases discussed above influence the financial decisions people make and question whether such deep-seated psychological issues may be addressed through information-based financial education and advice. Rather, they propose that it could be more effective to learn about the biases, introduce regulations that acknowledge the existence of the biases, and offset the effects of the biases in the least intrusive ways possible. Having summarised some issues from the field of behavioural economics that could influence financial capability, the next section shifts to examine issues from the field of personal finance that could also affect financial capability.

3.6 Perspectives from Personal finance

The development of the theoretical basis of financial capability is still in its early stages (Goyal and Kumar, 2020; Lučić et al., 2022). Some studies that have explored significant theoretical frameworks in the context of financial capability have proposed the application of theories from the field of personal finance (Lučić et al., 2022). Personal finance can be viewed as an application of the principles of finance, resource management, consumer education, and the sociology and psychology of decision making to the study of the ways that individuals or households acquire and allocate monetary resources to meet their current and future financial needs (Schuchardt et al., 2007).

Personal finance is based on theories from various disciplines that include economics, psychology, and sociology (Schuchardt et al., 2007). Some of the theories focus on rational and logical consumer behaviour that determines consumer efficiency in the context of personal finance (Lučić et al., 2022). At the centre of these theories are money management activities such as income and wealth disposal, spending, saving, investing, lending, borrowing and financial planning (ibid). According to Schuchardt et al. (2007) and Lučić et al. (2022), some of the key pioneer theories in the field of personal finance include the Permanent income hypothesis (Friedman, 1957), the Life-cycle hypothesis (Modigliani and Brumberg, 1954; Ando and Modigliani, 1963), and the Behavioral life-cycle hypothesis (Shefrin and Thaler, 1988). I will discuss these theories in the following sections starting with
the Permanent income hypothesis is section 3.6.1, and also relate them to the study of financial capability.

3.6.1 The Permanent income hypothesis

Friedman (1957) proposed that income was the sum of two components, that is, a permanent component and a transitory component. He defined the permanent component as that which reflects the effects of factors that individuals regard as determining their capital value or wealth, that is, the non-human wealth they own, their personal attributes, for example, training or ability, the attributes of their economic activity, for example, their occupation etc (ibid). According to Friedman, the transitory component reflects all other factors, that is, factors that the individuals are likely to treat as accidental or chance events, for example, cyclical fluctuations in economic activity. Some of the causes of the transitory components of income are specific to particular individuals, for example, illness, poor business decisions, or errors of measurement.

Friedman proposed that for any considerable group of individuals, the transitory components tend to average out, such that if they alone accounted for the differences between permanent income and measured income, the mean measured income of the group would be equal to the mean permanent component, and the mean transitory component would be zero (ibid). However, Friedman also argued that not all factors that gave rise to transitory components were adverse, and that the factors could be favourable too in which case the mean transitory component would be positive. Where the factors were adverse, the mean transitory component would be negative. Moreover, some of the factors that gave rise to transitory components of income were specific to particular individuals, for example, illness, while other factors affected groups of individuals, for example, poor farming seasons or bountiful harvests. The effects of the former would tend to average out, while the effects of the latter would result in positive or negative mean components for groups of individuals.

Permanent income was equal to the sum of the present value of future expected income over a given period divided by the number of years over which the income was earned (Lučić et al., 2022). The difference between the permanent and transitory components was meant to interpret the individual's actual behaviour and how the individual would adjust their decisions about spending, saving, investing,
and borrowing. Permanent income was hence a better determinant of saving behaviour than current income (ibid). The theory assumed that individuals focused on the long-term possibility of consumption thus explaining saving and consumption in the context of future expected income (ibid).

The following section discusses the Life-cycle hypothesis.

3.6.2 The Life-cycle hypothesis
The Life-cycle hypothesis was pioneered by Modigliani and Brumberg (1954) and Ando and Modigliani (1963). The hypothesis proposes that households do not make saving or dissaving decisions based on their current income only, but also consider their expected future circumstances (Danziger et al., 1982; Deaton, 2005). Hence, individuals save when they are younger, and dissave after retirement in order to try and maintain their standards of living after their incomes decline following retirement (Danziger et al., 1982). The hypothesis thus implies that individuals envisage to maintain more or less the same level of consumption through their lifetime by taking on debt or liquidating assets early and late in their lives when their incomes are lower; and saving during their peak earning years when their incomes are higher (Lučić et al., 2022). Consequently, the differences in consumption and saving behaviours of individuals are deemed to be caused by the differences in their ages (ibid). The following section discusses the Behavioural life-cycle hypothesis.

3.6.3 The Behavioral life-cycle hypothesis
Shefrin and Thaler (1988) modified the Life-cycle hypothesis (Modigliani and Brumberg, 1954; Ando and Modigliani, 1963) to develop the Behavioural life-cycle hypothesis which they claimed was more behaviourally realistic. Shefrin and Thaler incorporated three behavioural features in their hypothesis which they claimed were often missed in economic analyses. The features were self-control, mental accounting, and framing. Shefrin and Thaler argued that self-control was costly, and individuals would use devices like pension plans to manage the challenges of postponing a fraction of their consumption until retirement. They furthermore argued that temptation had to be incorporated in the analysis because some circumstances were less conducive for saving than others.

In explaining mental accounting, the authors argued that wealth was nonfungible and was divided into three mental accounts (current income, current assets, and future
income) and that the temptation to spend was highest for current income, and lowest for future income (ibid). Regarding framing, Shefrin and Thaler claimed that the differential temptation of the various mental accounts was that the rate of saving could be affected by the manner in which increments to wealth were framed or described. They claimed that income received as a lumpsum bonus would be treated differently from regular income even if the bonus was anticipated.

The Behavioural life-cycle hypothesis also assumed that individuals behaved as if they had two sets of preferences: one concerned with the long run, and the other with the short run. Shefrin and Thaler labelled the individual concerned with the short run the doer whose focus was on consumption in the current period only. In contrast, the individual who was concerned about the long run was the planner whose focus was on maximising a function of lifetime doer activities (ibid).

To sum up the personal finance theories discussed, financial capability can be influenced by permanent income and its fluctuations during the working life and lifetime in general (Lučić et al., 2022). Furthermore, life-cycle elements such as age, experience, life expectancy and working years during the lifetime, can also steer consumers' financial capability (ibid). Moreover, behavioural aspects like self-control and mental accounting also influence financial capability as was partly discussed under section 3.5.

Of the three personal finance theories discussed, the one that it more relevant to my study is the Behavioural life-cycle hypothesis. The hypothesis is connected to some of the Behavioural economics perspectives that I discussed under section 3.5, particularly mental accounting. I will apply the mental accounting concept in Chapter 6 where I will examine the socio-cultural context of the remittances sent in my study (section 6.2). “Mental accounting is the set of cognitive operations used by individuals and households to organize, evaluate, and keep track of financial activities” (Thaler, 1999, p.183). It involves the assignment of activities to specific accounts through categorisation or labelling whereby both the sources and uses of funds are labelled, and expenditures are grouped into budgets (for example, food, housing, etc.) with spending sometimes being constrained by the budgets (ibid). The budgeting process enables making rational trade-offs between competing uses of funds and also acts as a self-control device. Furthermore, the fact that the budgets
are *non-fungible* influences consumption because some budgets could be spent up to their limit while others have unspent funds remaining (ibid).

Having examined some of the issues from behavioural economics and personal finance that could influence the study of financial capability, the following section moves on to conclude the discussion in this chapter.

### 3.7 Conclusions
The chapter emphasised that the conceptualisation of financial inclusion that I applied in my study comprised both *access to and use of financial services* and *financial capability* as proposed by Deb and Kubyanskaya (2012), Godinho and Russell (2013), Ledgerwood et al. (2013), and Arun and Kamath (2015). The reason for applying this broader conceptualisation of financial inclusion was because it would shed a bright light on the under-researched effects of remittances on the senders’ financial capabilities. The chapter then discussed the theoretical models that were blended and applied in the study. These were foremost, Schreiner’s (2002) model for outreach to examine the *access to and use of financial services* component of financial inclusion; and Kempson et al.’s (2005) model to examine the *financial capability* component.

In the case of financial capability, the chapter evaluated the alternative models for investigating financial capability which were developed by FINRA Foundation (2009) and Kempson et al. (2013). I argued that I found it more appropriate to apply Kempson et al.’s (2005) model since it was the most comprehensive model that was developed for the country where my respondents were based, that is, the UK. However, there was a limitation of the model in that it was not specifically designed for purposes of investigating the experiences of marginalised groups and was hence alone inadequate for my study of financial inclusion. Some of the questions in the online survey to be administered in this study are meant to investigate whether the respondents use MIR to send remittances to recipients of marginalised backgrounds (see Chapter 4, section 4.5). My theoretical framework hence blended Kempson et al.’s (2005) model with Schreiner’s (2002) model of outreach to develop a more appropriate and coherent theoretical framework that enables me to effectively analyse issues pertaining to both *access to and use of financial services* and *financial capability*.
The chapter provided my justifications for applying Schreiner’s (2002) model instead of the more widely used TAM by Davis (1986). One of the key reasons for doing this was that Schreiner’s model was specifically designed to analyse a financial inclusion initiative, that is, microfinance, and would therefore be more useful in my research of MIR. The TAM in contrast was designed to analyse the adoption of information technologies in general and did not address issues relating to the exclusion of marginalised groups in the manner that Schreiner’s model could do.

The discussion then extended to examine other broader theoretical issues which could influence financial capability given that the development of the theoretical basis of financial capability is still in its early stages (Goyal and Kumar, 2020; Lučić et al., 2022). The examination spanned perspectives from the fields of Behavioural economics and Personal finance. I explained that I would apply some of the concepts from Shefrin and Thaler’s (1988) Behavioural life-cycle hypothesis, particularly the mental accounting concept, in my analysis of the socio-cultural context of the remittances sent in my study.

Having concluded this chapter, the following Chapter 4 moves on to discuss how I operationalised my theoretical framework in my research design.
Chapter 4: Research methodology

4.0 Introduction
This chapter sets out the methods used to gather, prepare, and analyse empirical data guided by the research questions of the study which I outlined in Chapter 1 (section 1.4). The literatures I reviewed in the previous chapters have shown that MIR is a complex social phenomenon, whose study traverses different academic disciplines, notably: International development, Public policy, Economics, and Information and communication technology (ICT). This complexity requires a research design that can examine the effects of MIR on various outcomes that span these different academic disciplines. For instance, while the investigation of MIR as a technological innovation is more related to the disciplines of International development and ICT, the investigations of financial inclusion and financial capability are more related to the Economics discipline. The multidisciplinary nature of the study hence requires a research design that addresses the various facets of sending remittances through MIR as is set out in this chapter.

The discussion in the chapter is organised as follows: Sections 4.1 and 4.2 discuss the research paradigm and research design respectively, and section 4.3 discusses the sampling methods applied in the study. The discussion then continues to the researcher’s fieldwork experiences (section 4.4), and the data collection instruments used in the study (section 4.5). A description of the research participants is given under section 4.6, and the procedures for data analysis are discussed under section 4.7. The chapter ends with a discussion about the limitations of the study and a reflection about the researcher’s positionality in the study (section 4.8) before the concluding remarks (section 4.9).

4.1 Research paradigm
The pragmatic paradigm was adopted for the study. The pragmatist philosophical movement originated in the USA in the late 19th century and its pioneers include Charles Sanders Peirce, William James, Chauncey Wright, Oliver Wendell Holmes Jr.; and later on, philosophers like John Dewey, George Herbert Mead, and Arthur F. Bentley amongst others who contributed significantly to the development of pragmatism over the last century (Kaushik and Walsh, 2019). The incipient articles in
the pragmatist epistemological tradition are Charles Sanders Peirce’s 1860s methodological works: “Questions concerning certain faculties claimed for man”, and “Consequences of four incapacities” (Talisse and Aikin, 2008). The founding scholars of pragmatism rejected the belief that social science inquiry can access reality through applying a single scientific method, and furthermore argued that human actions cannot be separated from past experiences and the beliefs that have arisen from those experiences (Kaushik and Walsh, 2019). The work of one of the major contributors to the field of pragmatism, John Dewey, stresses the importance of joining beliefs and actions in the process of inquiry, and supposes that any attempt to produce knowledge occurs within a social context (Morgan, 2014).

The pragmatic paradigm is commonly associated with mixed methods research and proposes that researchers should apply the philosophical or methodological approach that works best for the research problem (Kaushik and Walsh, 2019). Pragmatism hence shifts social research to questions regarding how researchers make choices about the way they conduct research, the reasons behind the choices they make, and the effect of selecting one choice over another (Morgan, 2014). Creswell and Creswell (2018) add that pragmatism is concerned about the application and solutions to problems, with researchers applying all possible approaches to understand the research problem. The pragmatic worldview is hence oriented towards solving practical problems and has emerged as the method of inquiry for practical-minded researchers (Kaushik and Walsh, 2019).

The pragmatic paradigm stands in contrast to the longstanding polarised positivist and constructivist paradigms. The question of whether the social world can be studied through the same principles used for the natural sciences is an important epistemological issue. Bryman (2012) explains that the position that affirms the importance of imitating the natural sciences is associated with positivism, while the contrasting position that argues that the subject matter of social sciences differs from natural sciences and hence requires different research procedures is often associated with interpretivism or constructivism (ibid). Table 4.1 presents a comparison of the constructivism, positivism, and pragmatism paradigms and is followed by a discussion of how the paradigms differ in terms of their epistemology, ontology, axiology, methods, and logic.
Table 4.1: Paradigm contrast table comparing constructivism, pragmatism, and positivism

<table>
<thead>
<tr>
<th>Dimensions of contrast</th>
<th>Constructivism</th>
<th>Pragmatism</th>
<th>Positivism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Epistemology:</strong> the relationship of the knower to the known; the nature of knowledge and its justification.</td>
<td>Subjective point of view; reality co-constructed with participants.</td>
<td>Both objective and subjective points of view, depending on stage of research cycle.</td>
<td>Objective point of view</td>
</tr>
<tr>
<td><strong>Ontology:</strong> the nature of reality, being, and truth.</td>
<td>Ontological relativism – reality is multiple, constructed, and holistic.</td>
<td>Diverse viewpoints regarding social realities; best explanations within personal value systems.</td>
<td>Naive realism – an objective, external reality that can be comprehended.</td>
</tr>
<tr>
<td><strong>Axiology:</strong> the role of values in inquiry.</td>
<td>Inquiry is value bound</td>
<td>Values important in interpreting results</td>
<td>Inquiry is value free</td>
</tr>
<tr>
<td><strong>Methods</strong></td>
<td>Qualitative</td>
<td>Both qualitative and quantitative; researchers answer questions using best methods.</td>
<td>Quantitative</td>
</tr>
<tr>
<td><strong>Logic</strong></td>
<td>Inductive</td>
<td>Both inductive and hypothetico-deductive</td>
<td>Hypothetico-deductive</td>
</tr>
</tbody>
</table>

Source: Composed by author from Teddlie and Tashakkori (2009, p.80 & 82)

4.1.1 Epistemological perspectives

“Epistemology is the systematic study of knowledge: what we know, how we know, and how we might demonstrate to others what and how we know” (Talisse and Aikin, 2008, p.26). Table 4.1 shows that according to Teddlie and Tashakkori (2009), positivists perceive that the relationship between researchers and participants is “objective” and that a dualism or separateness exists between researchers and participants. Social phenomena and their meanings thus exist independent of social actors and are beyond their reach or influence (Bryman, 2012). In contrast, the perception of constructivists is that research is “subjective” and researchers and participants work together to co-construct social realities (Teddlie and Tashakkori, 2009). Social phenomena and their meanings are thus produced through social interaction and are in a constant state of revision (Bryman, 2012).

Pragmatists challenge the distinction between objectivity and subjectivity, and instead perceive that epistemological issues span a continuum (Teddlie and Tashakkori, 2009). Sometimes researchers and participants may need to interact closely in order to address complex research questions, while sometimes there may be no need for such interaction, for example when conducting statistical tests using quantitative data that would have been gathered (ibid). In my study, the fact that epistemological issues exist on a continuum was evidenced in my application of Schreiner’s (2002) framework to examine the outreach of MIR in order to address research sub-question a (see Chapter 1, section 1.4 for research questions). For
instance, my analysis of Schreiner’s *breadth of outreach* aspect was based on statistical analysis of data I had collected through an online survey that I administered and did not require closer interaction with the respondents (see Chapter 5, section 5.2). In contrast, my analysis of Schreiner’s aspect of *worth* required closer interaction with the respondents and further investigation through semi-structured interviews in order to understand the respondents’ experiences and views (see section 5.3). The following section discusses the ontological considerations.

4.1.2 Ontological perspectives

The major question concerning social ontology is whether social entities should be regarded as objective entities whose reality is external to social actors, or whether they must be regarded as social constructions that comprise the perceptions and actions of social actors (Bryman, 2012). As shown in Table 4.1, the ontological perspective of positivists is that of *naïve realism*: positivists believe that there is a real reality that is apprehensible or understandable (Teddle and Tashakkori, 2009). In contrast, the constructivist point of view regarding reality is that of *relativism*: constructivists believe that there are local and specific co-constructed realities, and that these realities are products of human intellects and may change as their constructors change (ibid). Furthermore, constructivists view reality as multiple and thus actively seek multiple perspectives from research participants (Creswell and Plano Clark, 2018).

The ontological perspective of pragmatism comprises two components. First, pragmatists share the same views as positivists regarding the existence of an external reality that is independent of the mind (Teddle and Tashakkori, 2009). Second, pragmatists deny that the truth concerning reality can be determined and they are uncertain of whether one explanation of reality is better than others; hence, their preference for a particular explanation indicates that it is better than others in producing expected outcomes but does not indicate that it is closer to ‘truth’ or ‘reality’ (ibid). The following section discusses the axiological considerations.
4.1.3 Axiological perspectives

Axiology encompasses issues of values and ethics in research (Denzin and Lincoln, 2018). As shown in Table 4.1, positivists believe that inquiry is *value free*, whereas constructivists believe that inquiry is *value bound* (Teddlie and Tashakkori, 2009). Constructivist research is hence prone to bias, and researchers actively talk about and use their personal biases and interpretations (Creswell and Plano Clark, 2018). Pragmatists also believe that values play an important role in conducting research and reaching the conclusions of their studies (Teddlie and Tashakkori, 2009).

Regarding ethics, the issue to be addressed is the role of morals in conducting research (Denzin and Lincoln, 2018). In this regard, my study was guided by the “Social Policy Association guidelines on research ethics”\(^1\) which guide researchers in identifying and addressing different kinds of ethical issues that could arise in the research process. Section 4.5.1 of this chapter discusses ethical issues arising in my study, particularly how the consent of the respondents to participate in the study was obtained. The following section discusses considerations for the methods and logic.

4.1.4 Methods and logic

Table 4.1 shows that positivists employ quantitative research methods while constructivists employ qualitative methods. In constructivist approaches, the researcher works more from the “bottom” up, using the participants’ responses to build themes and generate a theory that connects the themes (Creswell and Plano Clark, 2018). Pragmatists however reject the *either-or* in the choice of research methods, and instead believe that both the quantitative and qualitative method are useful and hence employ the full array of both methods (Teddlie and Tashakkori, 2009). Pragmatists thus perceive that the choice of the use of either, or both, quantitative and qualitative methods depends on the research questions and the ongoing stage of the inductive-deductive research cycle (ibid).

Pertaining to logic, as shown in Table 4.1, positivists use hypothetico-deductive logic while constructivists use inductive logic. Pragmatists combine inductive and


Accessed on 12/05/2017.
deductive thinking as the researchers mix qualitative and quantitative data as the study progresses (Creswell and Plano Clark, 2018). Pragmatists thus do not perceive the use of logic as an either-or contrast but rather, as aforementioned, believe that at any time during research the study falls somewhere within the inductive-deductive research cycle (Teddlie and Tashakkori, 2009). In my study, the pragmatist stance was evidenced through the mixing of qualitative data that were collected through semi-structured interviews and quantitative data that were gathered through an online survey and from secondary sources (see section 4.4). Furthermore, my analysis of the data I collected through interviews combined inductive and deductive coding approaches (see section 4.7.2).

Having discussed the theoretical basis of my research design, the following section moves on to discuss the research design itself.

4.2 Research design
A qualitatively driven sequential mixed methods design was employed for the study. As aforementioned, the mixed methods design combines both qualitative and quantitative research and data in the study (Creswell, 2014). There are different terms that can be used to describe the mixed methods approach. For instance, Bryman (2012) highlights that the term multi-strategy research was used to describe research of a similar nature in the past. He explains that the term mixed methods research is now used more often because it expresses the fact that the approach involves mixing research methods and not just using them in tandem (ibid).

In the case of my study, the qualitative method was the leading methodology and was supported by the quantitative method where appropriate. Hesse-Biber et al. (2015) refer to this as a qualitatively driven mixed methods approach. The usefulness of this approach is that the quantitative data can help in identifying patterns that are not apparent from the unquantitised qualitative data (Maxwell, 2010). Quantitative data could thus complement the research participants’ perspectives by providing a clearer and more in-depth understanding of the phenomenon being investigated (ibid).

I hence chose the mixed methods design because of its strength to combine qualitative and quantitative research methods, and thus reduce the limitations associated with each of these individual approaches (Creswell, 2014). This strength
enabled me to investigate the effects of MIR both quantitatively and qualitatively. Quantitative data like statistics about the number of respondents using particular money transfer methods provided a good understanding of the level of usage of MIR, that is, Schreiner’s (2002) breadth of outreach aspect (see Chapter 3, section 3.4.2). Likewise, statistics about the gender of the respondents as well as the locations they sent remittances to in Zimbabwe enabled an understanding of Schreiner’s depth of outreach aspect. Furthermore, quantitative data also provided an overview of the number and kinds of digital financial services used by the respondents. An overview of that kind would have been difficult to get through the qualitative approach only as it required numerical analysis. However, quantitative data also has limitations that could be compensated for with qualitative data.

Adams et al. (2008) argue that there are many complex, socially-based phenomena involving the use of technology that cannot be easily examined through quantitative research. They add that this realisation has led researchers to resort to qualitative research methods which support the objective of understanding the qualities of the technology and how people use it in their lives, how they think about it, and how they feel about it (Adams et al., 2008). The arguments by Adams et al. justify why it was useful to collect qualitative data in my study in addition to the quantitative data. The usefulness of qualitative methods in studies of remittances in particular is further noted by Carling (2014) who postulates that ethnographic methods are able to gain an in-depth understanding of issues that escape the standardized optic of surveys.

Some effects of MIR may not be easily observed through quantitative data. For example, qualitative data were better than quantitative data when trying to understand why some respondents preferred to use some money transfer methods over others. Furthermore, the qualitative method was also useful in investigating the effects of sending remittances on the respondents’ financial capabilities. Applying the mixed methods design therefore helped compensate limitations of either the quantitative or qualitative approach with the strengths of the other approach.

Data for the research were collected through an online survey and semi-structured interviews that were conducted via telephone. Furthermore, the primary data were supplemented by evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIRs sent to Zimbabwe by their
customers. The data collection methods are discussed in detail under section 4.4. The following section 4.3 first discusses the sampling methods for the study.

4.3 Sampling methods
The total population for the study comprised the Zimbabwean migrant community living in the UK. Official estimates as at January 2019 reported that there were approximately 128,000 Zimbabweans in the UK (Office for National Statistics, 2019; Mbiba et al., 2020). However, some studies have previously claimed that the number of Zimbabweans in the UK exceeds 200,000 (IOM, 2006; Pasura, 2012), and in some cases even claimed that it exceeds 500,000 (Mbiba, 2005). The differences in the estimates are probably due to the existence of undocumented migrants as suggested by IOM (2006).

I applied the purposive sampling technique to recruit the participants for the survey and semi-structured interviews. Andrade (2020, p.1) defines a purposive sample as “one whose characteristics are defined for a purpose that is relevant to the study”. The invitation to participate in the survey was distributed amongst the Zimbabwean migrant community in the UK (see section 4.4 below on fieldwork for more about the recruitment of the research participants). Data collection was not limited to any geographical parts of the UK and Zimbabweans living anywhere in the UK could participate. My online survey gathered 347 valid responses and I conducted 23 semi-structured interviews with a sub-sample of the survey respondents. The main criteria that I used to select the interviewees was that they should have indicated that they sent remittances to Zimbabwe in the survey and should also have volunteered to participate in the semi-structured interviews. The full details about my fieldwork activities and experiences are discussed in section 4.4 below.

4.4 Fieldwork
When I started working on my research in 2016, my intention was to conduct my fieldwork in Zimbabwe where I could directly investigate the recipients of the remittances sent from abroad. My initial research design involved collecting data from rural parts of Zimbabwe. However, this plan did not work out well because the Zimbabwean government declined the application that I submitted requesting for authorisation to conduct my fieldwork in Zimbabwe. Part of the reason why the approval was denied was because political tensions in Zimbabwe were very high at
the time I wanted to conduct my fieldwork in 2017 and the country was heading towards national elections the following year.

Having been denied authorisation to conduct my fieldwork in Zimbabwe, I changed my research design so that I could collect data from the UK instead. I could not employ an alternative option of remotely interviewing the recipients of remittances in Zimbabwe via telephone or other communication applications like Skype because that would have been an illegal practice since the response from the government had barred me from pursuing any other avenues of conducting the research in Zimbabwe. My revised research design entailed collecting data from the Zimbabwean migrant community in the UK about their remittance practices as well as issues relating to their use of financial services and financial capabilities. In addition, where possible, I also indirectly investigated the experiences of the recipients of the remittances the respondents sent to Zimbabwe through the respondents who participated in my research. The revised design managed to shed light on why the respondents chose particular transfer methods and how they took the recipients’ circumstances into consideration before using the transfer methods. The respondents apparently understood the challenges that the recipients encountered when they had to collect remittances that were sent through means that were not easily accessible to them. In a research field that is overwhelmingly focused on recipients and beneficiaries of remittances (for example, Maphosa, 2007; Bracking and Sachikonye, 2008; Åkesson, 2010; Ikuomola, 2015), investigating the migrants or senders instead of the recipients of the remittances yielded unique insights from the perspectives of the senders.

The strategy of indirectly investigating the experiences of the recipients in Zimbabwe through the senders however had some limitations too. In some instances, the respondents did not have accurate information about the recipients in Zimbabwe. One example of this was a question in the survey that asked the respondents to estimate the monthly household income of the families in Zimbabwe they sent remittances to (see Appendix 4.1, question 20). 76 respondents chose the option that they did not know the receiving household’s monthly income. I experienced further challenges in the semi-structured interviews when I tried to investigate access to or use of formal financial services by the recipients in Zimbabwe. The respondents
struggled with this question because it investigated information that only the recipients themselves seemed to have. Nonetheless, I was able to compensate for this drawback by investigating the effects of remitting on the financial capabilities of the migrant respondents or senders of the remittances which yielded very valuable insights.

Overall, although there were some challenges that arose from the revised research design, the data I collected were able to provide useful information about the senders of remittances which would have been missed had I only investigated the recipients in Zimbabwe. Of particular importance were the experiences that the respondents went through in order to be able to sustain sending remittances and the resultant effects on their financial capabilities, an issue which is discussed in Chapter 7. The strategy of indirectly investigating the experiences of the recipients through the senders hence yielded valuable insights into the experiences of both the migrants abroad, and to some extent the recipients at home. Table 4.2 shows the data collection methods that were employed to address each of the research sub-questions.

**Table 4.2: Relationship between research sub-questions and data collection methods**

<table>
<thead>
<tr>
<th>Research sub-question</th>
<th>Data collection methods employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Do MIR have greater outreach amongst senders of remittances when compared to other formal and informal means of sending remittances?</td>
<td>— Online survey of Zimbabwean migrants in the UK.</td>
</tr>
<tr>
<td></td>
<td>— Semi-structured telephone interviews with sub-sample of survey respondents.</td>
</tr>
<tr>
<td></td>
<td>— Analysis of secondary quantitative dataset from WorldRemit.</td>
</tr>
<tr>
<td>b. Does sending MIR increase use of other digital financial services by senders of remittances?</td>
<td>— Online survey of Zimbabwean migrants in the UK.</td>
</tr>
<tr>
<td></td>
<td>— Semi-structured telephone interviews with sub-sample of survey respondents.</td>
</tr>
<tr>
<td>c. How does sending MIR affect the financial capabilities of senders of remittances?</td>
<td>— Online survey of Zimbabwean migrants in the UK.</td>
</tr>
<tr>
<td></td>
<td>— Semi-structured telephone interviews with sub-sample of survey respondents.</td>
</tr>
<tr>
<td>d. How do Zimbabwean social and cultural values influence sending of MIR?</td>
<td>— Online survey of Zimbabwean migrants in the UK.</td>
</tr>
<tr>
<td></td>
<td>— Semi-structured telephone interviews with sub-sample of survey respondents.</td>
</tr>
</tbody>
</table>

*Source: Compiled by author*
Table 4.2 shows that the online survey and semi-structured interviews were the primary methods employed to investigate all the research sub-questions. In the case of sub-question (a), the primary methods were also supplemented by evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to remittances sent by their customers to Zimbabwe. As aforementioned, for all the research sub-questions, the qualitative method was the leading methodology that was used to investigate the research questions and was supported by the quantitative method where appropriate. The following sections 4.4.1 and 4.4.2 discuss the online survey and semi-structured interviews I conducted in detail.

4.4.1 Online survey

I opened the main online survey on the Qualtrics platform on 19 January 2018 and closed it on 20 September 2018, hence the survey was open for a period of eight months. The last survey response recorded was received on 24 July 2018. Since no further responses were received over the approximately eight-week period between 24 July and 20 September 2018, I concluded that an end-point had been reached and closed the survey. Qualtrics recorded 381 attempts at the survey but some of these responses were incomplete and could not be analysed. Of the 381 attempts, 347 questionnaires were valid, and these were analysed in my study.

The response rate for my online survey was approximately 24.61%. There were however some assumptions I needed to make in order to be able to calculate the response rate and these are discussed later in this section. A meta-analysis of the response rates of online surveys in published education-related research that was conducted by Wu et al. (2022) found that the response rates ranged from 34% to 48.30%, and averaged 44.10%. The response rate for my online survey of 24.61% falls below this range. This is possibly because of some challenges that I encountered during the data collection process which I will explain in the following paragraphs.

My expectations were high when I opened the main survey. I had in my mind expected that WhatsApp would provide most of the responses that I needed because of the wide usage of the platform. I began by drafting WhatsApp messages inviting people to complete my survey and distributing them through WhatsApp to
Zimbabwean migrants who were within my personal network, and asking them to forward the message to other Zimbabwean migrants who were in their networks too. I then talked to the administrators of some well-known Zimbabwean WhatsApp community groups and asked for permission to post the invitation to participate in my survey on their group platforms, and was allowed to post the invitations. The WhatsApp groups comprised faith-based groups and other general groups. However, WhatsApp proved to be not as effective as I had thought and was not bringing in as many responses as I had expected.

The next social media platform I tried was Facebook. I replicated the same strategy that I had used for WhatsApp and started by inviting people who were within my personal network to complete the survey and furthermore asking them to forward the invitation to their own contacts. After this, I searched for popular groups of Zimbabwean migrants in the UK on Facebook and contacted the group administrators to request for permission to post the invitation to participate in my survey on the group platforms. However, the rate at which I was receiving responses from Facebook was poor and worse than WhatsApp.

The next platform I considered was LinkedIn which I had not initially planned to use at all. I had anticipated that I would have been able to collect all the responses for my study on the WhatsApp platform, and Facebook was the reserve option. However, surprisingly, LinkedIn worked very well despite the limited effectiveness of the other online platforms, that is, WhatsApp and Facebook. The response rate improved significantly. As the responses increased, I intensified my searches for potential respondents on LinkedIn. Nevertheless, some challenges also arose.

First, there were far more responses from men than from women. Unfortunately, I eventually failed to rectify this problem (see section 4.6.1 for further discussion). At one time, I tried to stop sending invitations to complete the survey to men and concentrated on women only but that this did not work. Instead, the survey response rate slowed down, and almost ceased, until I had to resume inviting men again.

The second challenge I encountered arose when I tried to distribute a paper-based version of the survey like I had envisaged to do when I designed the research. I started by approaching organisations that I thought had access to Zimbabweans in the UK. First, was the Zimbabwe Embassy in London. I visited the embassy in
person, and they asked me to email a formal request, which I did, but they never responded to me. I approached other Zimbabwean organisations in the UK too – notably some social support groups for Zimbabwean migrants in the UK, including women’s groups. However, the groups could not help and some were no longer functional. Consequently, the plans for the paper-based survey did not work out well and were abandoned.

The third challenge I encountered was that I sometimes found myself being suspected of being an undercover political actor or spy of some kind who was working against the Zimbabwean government. Even some of my personal contacts who had witnessed how I was denied authorisation to conduct my fieldwork in Zimbabwe by the Zimbabwean government, and how I ended up collecting data from the UK were suspicious of my research. Despite my repeated explanations, they still suspected that my research could have involved some anti-government aspects and that by participating in the study they would be politically tainted by association, and could risk drawing themselves into unwanted political problems with the Zimbabwean government. Unfortunately, the suspicions were even stronger with some people who did not know me at a personal level, and some of them would ask me lots of questions in order to try and find out if I had any hidden political agendas. Overall, all the challenges discussed eventually resulted in all the survey responses being collected online because I was making better progress online.

As aforementioned, although 381 attempts were made at the online survey, only 347 questionnaires were valid and were analysed in the study. From my observations, the incomplete questionnaires were mainly due to system problems and suspicious people. System problems refers to issues to do with the online survey freezing before completion which could in turn be due to internet connectivity problems or web browser issues. I received a couple of complaints from respondents who said the survey was freezing and crashing before they had finished. I called Qualtrics about this and they insisted that it was most likely being caused by poor internet connections on the part of the respondents or web browser issues.

In order to try and mitigate these challenges, Qualtrics advised me to tell the respondents to complete the survey using the Google Chrome browser only and avoid Internet Explorer because it had some versions that did not work well with the
Qualtrics platform. Although the advice seemed to have helped a bit, there was a limitation in that invitations without the instruction to use Google Chrome had already been widely circulated by the time I made this change and there was no way to call them back. Suspicious people mainly refers to cases of people who did not trust the research but were curious and wanted to check what it was about. Some would fill in ridiculous responses and stop after answering only a few questions.

All the survey responses were eventually collected online, through social and professional media. Most of the responses came through the professional media LinkedIn, followed by the social media WhatsApp, and finally Facebook. Unfortunately, it is not possible for me to give accurate figures for the distribution of responses between LinkedIn, WhatsApp, and Facebook because there was only one anonymous link that I distributed on all these platforms.

The absence of an accurate distribution of the responses that were received through LinkedIn, WhatsApp, and Facebook also affected my calculation of the response rate of 24.61% which I reported earlier on. I had to make some assumptions in order to be able to estimate the response rate. First, I ignored the effects of cross-posting or overlaps in the calculation of the response rate. This refers to instances where some respondents could have received multiple invitations to complete the survey if they happened to use more than one of the online platforms that I distributed the survey on, that is, LinkedIn, WhatsApp, and Facebook. Second, I also ignored the possibility that some of the invitations I posted online could have been forwarded by the primary recipients whom I had directly sent the invitation to to their own secondary contacts on these platforms. I could not take this into account because I was not able to know when the invitation had been forwarded to other people.

Finally, pertaining to invitations to complete the survey which I posted on community groups on the WhatsApp and Facebook platforms, I had to assume that all the group members had read the invitation yet in actual fact some of the members may not have read it. This was because I did not have an accurate record of the exact number of groups members who had read my post. I hence used the number of group members in each of the WhatsApp and Facebook groups I posted the invitation on when estimating the response rate. The assumptions I made however enabled me to estimate the response rate which I reported.
Maramwidze-Merrison (2016) argues that professional media like LinkedIn are effective means of accessing organisational elites for research purposes, following her successful use of the strategy in her doctoral research that involved accessing elites in the banking sector. Although my research had not specifically targeted organisational or professional elites, I inadvertently ended up recruiting a lot of them because of having used LinkedIn extensively to recruit my research participants. Section 4.4.2 below discusses my experiences when conducting the semi-structured interviews.

**4.4.2 Semi-structured telephone interviews**

I conducted 23 semi-structured interviews between 31 October 2018 and 8 January 2019, which is a period of about two months. Each of the interviews lasted between 30 and 45 minutes. The interviews were conducted with a sub-sample of the respondents who had completed the online survey. The criteria for participating in the interviews was that the respondent had to be sending remittances to Zimbabwe. My decision to conduct semi-structured interviews draws support from Stephens (2007) who asserts that the agenda brought to each interview by the researcher ensures all necessary topics are discussed, while allowing the interviewee to introduce issues they conceive as important.

The interviews were conducted via telephone and there was no visual contact. I had to conduct the interviews through distance communication because that was largely the respondents’ preferred mode. When I emailed the respondents the invitation to participate in the interviews, I gave them the option to choose between a face-to-face or online interview, and they all chose the online option. My initial intention had been to conduct the interviews via Skype which would have had visual contact. However, when I requested for the respondents’ Skype details, some of them either did not respond or indicated that they had not used Skype for a long time and could not access their Skype account. This eventually left me with no option but to call some of the respondents on their mobile phone numbers because that was the only way they could be reached. However, I still used the Skype service to call their mobile numbers in order to make it easier to record the conversations (I expressly advised the interviewees that the interviews would be recorded and obtained their consent for this).
Some researchers have successfully used telephone interviews to conduct their studies (for example, Sturges and Hanrahan, 2004; Stephens, 2007; Holt, 2010). Sturges and Hanrahan (2004) claimed that their study found no significant differences between interviews they conducted face-to-face and those they held over the phone. Likewise, Holt (2010) argued that there was no need to consider the use of telephones for narrative interviewing as a ‘second-best’ option as there may be sound ideological, methodological and practical reasons why it may be a more favourable mode than the often ‘default mode’ of face-to-face interviewing. Furthermore, Stephens (2007) posited that telephone interviews were a valid and useful methodological tool that could provide important data for geographically dispersed samples.

The benefits of conducting telephone interviews are hence elaborated in the literature (Sturges and Hanrahan, 2004; Stephens, 2007; Holt, 2010). Telephone interviews could be useful when trying to access respondent groups that are difficult to reach (Sturges and Hanrahan, 2004; Irvine, 2011). They provide the opportunity to obtain data from groups who may be reluctant to participate in face-to-face interviews and therefore make it possible to collect data from people who may have otherwise not participated in the study (Sturges and Hanrahan, 2004). Stephens (2007) adds that telephone interviews are usually cheaper and quicker to conduct as they remove geographical limitations. This in turn increases the number of potential respondents available to the researcher (ibid). Holt (2010) furthermore argues that telephone interviews could be useful when researching participants who are particularly marginalized and whose lives have already been subject to the ‘professional gaze’. In such circumstances, the interview experience may not be dissimilar from other experiences where professionals, for example, social workers or education officers have come into the participants’ homes and asked a series of questions about their lives (ibid). Holt adds that the use of the telephone with such participants may at least mitigate the problem by not intruding on the narrator’s home, which to some extent, avoids reproducing such ‘gazing’ practices (ibid).

My fieldwork experience supports the claims by Sturges and Hanrahan (2004) and Irvine (2011) that telephone interviews are an effective means of reaching respondents who are difficult to access. Both my online survey and the semi-structured telephone interviews benefited from this advantage. I was able to collect
responses from people whom I may have struggled to meet in person, particularly busy elite business professionals. My research therefore managed to gather data from a wide range of busy professionals whom I may not have got access to had I collected the responses in person. I therefore argue that online methods of conducting research can reach more respondents who are geographically dispersed and may have busy schedules that would have hindered them from participating in the research in-person. This argument is also made by Stephens (2007) in reference to telephone interviews in particular.

There are however some drawbacks to conducting telephone interviews. Telephone interviews do not allow the researcher to observe the respondents’ non-verbal communication (Sturges and Hanrahan, 2004; Stephens, 2007). Stephens (2007) explains that the normal role of non-verbal communication in directing the conversation towards the listener's needs is absent. For instance, in face-to-face communication the speaker can respond to expressions of interest or confusion by the listener. Consequently, there is need for clearer articulation of the questions than is necessary in face-to-face communication. Fragmented or improvised sentences are less tolerable than is the case in situations where hand and facial gestures can consolidate their meaning (ibid).

Telephone interviews also result in lack of ethnographic information derived from participants’ homes, communities and their ‘selves’, which limits the subsequent discourse analysis of data to stay at the level of the text (Holt, 2010). Hence, the researcher cannot add their own contextual data to inform the analysis, as there will be none available (ibid). Much stronger criticism of telephone interviews came from Irvine (2011) whose investigations concluded that telephone interviews were on average shorter than those conducted face-to-face because respondents would tend to speak for less time and generally held the floor for shorter stretches of time.

My fieldwork experiences support the arguments made by Sturges and Hanrahan (2004) and Stephens (2007) that telephone interviews hinder researchers from observing non-verbal communication from the respondents. Furthermore, as claimed by Holt (2010), my research could not analyse information from the respondents and their surroundings since I had no visual connection with the respondents. Moreover, in my fieldwork, I realised that telephone interviews were prone to disruption from the
respondents’ surroundings. For instance, some respondents had the telephone interview when they were at home and their children would occasionally disturb them. This would interrupt the flow of the interview and compromise the investigation. In addition, I also found that telephone interviews, and online data collection methods in general, were prone to the risk of failure of the technology that would be used by the researcher. In my case, some calls could drop (though not often) because of connectivity problems and I had to restart the call. My online survey was also affected by connectivity problems and this sometimes disrupted the data collection process. Such problems would have been kept at minimum if the data were collected face-to-face.

On the balance, a practical and forward-looking comment is made by Sturges and Hanrahan (2004, p.116) who posit that:

… it seems worthwhile to consider telephone interviews as a way to enhance qualitative research. Surely advances in technology shape the way we do research, and researchers need to consider how the technology in question fits in the lives of potential respondents.

This is an aspect that I found important in my research as I relied heavily on modern technology to reach the respondents I needed for my study. Some of the respondents who managed to participate in my study because it was held online may not have been able to participate had the data been collected in-person. The following section discusses the collection of secondary data that were analysed in my study.

4.4.3 Collection of secondary data
The data I would have preferred to use to analyse Schreiner’s (2002) aspect of breadth (see Chapter 3, section 3.4.2) would have been data about total remittance flows into Zimbabwe which is categorised by the transfer method used. However, all my efforts to get such data were futile and I was eventually forced to abandon the idea. This was because the data could only be obtained from the Zimbabwean government and the requests I submitted to them for the data did not yield any positive outcomes. I however managed to get some market data from WorldRemit which comprised remittances that were sent to Zimbabwe by WorldRemit customers. I included the analysis of the data from WorldRemit in Chapter 5, but it could not be
used to investigate Schreiner’s aspect of breadth because most of the transactions that were processed by WorldRemit at that time were MIR transactions and there were much less cash-collection transactions which hindered proper comparison the different transfer methods.

As a compromise, I eventually used my own primary data from the online survey to analyse the aspect of breadth (see Chapter 5, section 5.2). The results are hence limited to my sample but at least portray a better picture of the preferences for different money transfer methods that existed amongst the respondents. The need to investigate the official inflows of remittances into Zimbabwe through different money transfer methods remains an issue for further research if any researchers manage to acquire the data needed for such a study. Section 4.5 discusses the data collection instruments I used in my study.

4.5 Data collection instruments

The primary data collection instruments that were used in the study comprised a questionnaire for the online survey and a guide for the semi-structured interviews. The online survey questionnaire gathered data about the socio-demographic profiles of the respondents, their remittance practices, the financial services they used, and information relating to financial capability. Results from the descriptive analysis of the survey data were used to recruit respondents for the semi-structured interviews. The survey questionnaire template can be found under Appendix 4.1.

The survey questionnaire was designed such that it would yield the information that was required to apply Schreiner’s (2002) and Kempson et al.’s (2005) frameworks in the study. As discussed in Chapter 3, Schreiner’s framework was intended to analyse the use of MIR (see section 3.4), and Kempson et al.’s framework was meant to analyse financial capability (see section 3.3). To permit analysis of the use of MIR, the survey questionnaire asked questions about the money transfer methods used by the respondents which enabled analysis of the breadth of outreach aspect of Schreiner’s framework (section 3.4.2). Furthermore, the survey also included questions about the respondents’ income, gender, and whether they sent remittances to rural areas – which would be used to analyse depth of outreach.

In the case of financial capability, the survey questionnaire solicited information about the frequency at which the respondents sent remittances and the value of the
remittances they sent. This information would be used to support the analysis of the effect of sending remittances on the managing money and planning ahead domains of Kempson et al.'s (2005) framework (section 3.3.1). In addition, the survey also asked respondents to self-evaluate their levels of financial capability based on Kempson et al.'s conceptualisation of financial capability and furthermore justify the ratings they had assigned themselves. The respondents' self-ratings of financial capability would also be used to support the analysis of the effects of sending remittances on the financial capabilities of the respondents. Moreover, the justifications given by the respondents for the self-ratings they assigned themselves would be used to support the revision of Kempson et al.'s framework.

The online survey questionnaire was designed using the Qualtrics platform which I also used to gather the responses. I tested the online survey through a short pilot before the main survey began. Some personal contacts who were not part of the research completed the pilot survey and I had calls with them afterwards so they could give me their opinion about completing the survey. I had requested five contacts to complete the pilot survey but, in the end, only three of them participated in the pilot survey. The pilot was useful, and I got important feedback which I used to make some slight adjustments to the online questionnaire before the main survey began.

The semi-structured interviews continued with the investigation of the money transfer methods used by the respondents, other remittances practices, and the effects of sending remittances on their financial capabilities. The semi-structured interview questions that were related to financial capability were constructed based on Kempson et al.'s (2005) domains of financial capability (see Chapter 3, section 3.3). The interview questions investigated how sending remittances had affected the respondents’ financial capabilities. Atkinson (2011) designed a survey instrument for measuring financial capability based on Kempson et al.'s (2005) model, which I also made use of when I structured questions for my semi-structured interviews. The questions investigated whether sending remittances had either positively or negatively affected how respondents managed their money, planned ahead with their finances, chose financial products, and stayed informed about financial issues. The guide that I used to conduct the semi-structured interviews can be found under Appendix 4.2.
Furthermore, in line with the perspectives discussed in Chapter 3 (sections 3.5 and 3.6) that the fields of Behavioural economics and Personal finance identify some systematic biases that influence individual financial decisions, for example cognitive biases like mental accounting and status quo bias (de Meza et al., 2008), the semi-structured interviews were conducted in a manner that allowed the discussion to go beyond the limits of Kempson et al.’s (2005) model where necessary. In the case of the domain of choosing products, this allowed respondents to highlight constraints that hindered them from shopping around and behaving in the manner assumed by Kempson et al.’s model. Some of the constraints the respondents identified appeared to be underlying factors that could give rise to the biases outlined by de Meza et al., particularly status quo bias (see Chapter 7, section 7.5). This approach hence allowed me to explore other broader issues from the fields of Behavioural economics and Personal finance that may not have been adequately addressed by Kempson et al.’s model. I also conducted one test interview before I started the main interviews. The purpose of the pilot was to ensure that the technology I was using to conduct the interviews was working, especially the recording equipment. I eventually added the pilot interview to the collection of main interviews and analysed the interview together with the data from the main interviews. Section 4.5.1 discusses the issues that are related to ethics in my study.

4.5.1 Research ethics and consent
The study was approved by The Open University Human Research Ethics Committee and assigned the reference HREC/2531/Nyanhete/1 (see Appendix 4.5). All respondents who participated in the study were presented with the project information sheet and asked to sign a consent form (see Appendix 4.4 for the consent form). In the case of the survey, the consent was solicited in the first part of the survey before the respondent started completing the survey questionnaire. For the semi-structured interviews, the consent form was emailed to the interviewees before the interview and I furthermore sought verbal consent from the interviewees at the beginning of the telephone interviews. Participants were clearly advised that they were free to decline to answer any questions that they felt uncomfortable with or to withdraw at any time during the research or afterwards. These rights were outlined in the project information sheet and were also verbally communicated to the participants. The following section 4.6 describes the attributes of my study’s sample.
4.6 Description of research participants

Sections 4.6.1 and 4.6.2 discuss the attributes of the respondents who participated in the online survey and semi-structured interviews respectively. Where possible the attributes of the respondents are compared to those of the total population of the Zimbabwean migrant community in the UK.

4.6.1 Description of online survey respondents

Official estimates report that there are approximately 128 000 Zimbabweans in the UK and the figure can be disaggregated by gender as 53 000 males (41.40%) and 75 000 (58.60%) females (Mbiba et al., 2020). This gender distribution is confirmed by IOM (2006) who also highlighted that there are more women than men of Zimbabwean origin in the UK. Of the 347 respondents who completed my survey, 263 (75.80%) were male and 84 (24.20%) were female. My study therefore over-represents the proportion of Zimbabwean males in the UK.

The cause of the anomaly in the gender distribution is that, as aforementioned, I struggled to recruit women to participate in my study. The rate at which women responded to the invitation I sent out was slower than the rate at which men responded from the outset. I partly attributed this challenge to the online mode through which my research was being conducted and my extensive use of social and professional media to recruit participants. Women could probably find communication that comes through social media suspicious when it is coming from an unknown male sender.

Figure 4.1 shows the periods in which my survey respondents migrated from Zimbabwe to the UK. The period “2000 to 2004” received the highest count of 158 out of the 306 respondents who answered the question; followed by the period “2005 to 2009” which had a count of 46 respondents. This distribution is supported by IOM (2006) who highlighted that a major wave of migration from Zimbabwe began in the year 2000 because of economic and political problems in the country. Mbiba et al. (2020) supported this but suggested that most of the Zimbabweans in the UK migrated after 1998. Furthermore, Humphris (2010) also reported that Zimbabwe was Britain’s top asylum-seeking nation in 2002 which resulted in the imposition of a visa requirement for the country in November 2002.
Table 4.3 shows the educational levels of my respondents. The table shows that approximately 91.04% of the survey respondents had a university degree. The high level of education of the respondents in my study is to some extent supported by previous studies that have been conducted. A skills audit of refugees in the UK that was conducted by Kirk (2004) for the Home Office reported that Zimbabwean refugees who participated in the study tended to be highly educated and more than 90% of them held educational qualifications before they moved to the UK. This is furthermore supported by Bloch (2005) whose study of 500 Zimbabweans in the UK found that 97% of the respondents held formal educational qualifications when they moved to the UK. Bloch (2005) reported that 43% of the Zimbabwean migrants who participated in her study already had university degrees when they moved to the UK. However, there is still a risk that my study could have over-represented the educational levels of the Zimbabweans in the UK because I recruited a significant proportion of the survey respondents on LinkedIn which is in itself a platform for professionals.
Table 4.3 - Education levels of survey respondents

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school or Secondary school</td>
<td>4</td>
</tr>
<tr>
<td>College</td>
<td>8</td>
</tr>
<tr>
<td>University Bachelor or Postgraduate Degree</td>
<td>315</td>
</tr>
<tr>
<td>Other. Please specify in the space provided below:</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>346</td>
</tr>
<tr>
<td>Missing responses</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>347</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Figure 4.2 shows the ages of my respondents. The figure shows that the age group “41 to 50 years” had the highest count of 140 respondents, followed by the age group “31 to 40 years” with 134 respondents. This implies that approximately 78.96% of the survey respondents were aged between 31 and 50 years. This could again be attributed to the use of social and professional media to recruit respondents because it is this age group that is in their working life that could likely be found on such media.

![Figure 4.2: Bar chart showing ages of survey respondents](image)

Source: Author’s survey (2018)

Figure 4.3 shows the monthly incomes of the respondents. The figure shows that the income band “£2 501 to £3 000” had the highest count of 65 respondents, followed by the band “£4 000 and above” with 61 respondents. Figure 4.3 also shows that
approximately 58.51% of the survey respondents earned £2 501 or more after taxes every month. The seemingly high earnings of the respondents, like the high education levels, could also be attributed to the use of social and professional media, especially LinkedIn, in recruiting the respondents. These attributes however result in some limitations of the study because they under-represent people with lower educational levels and to some extent, those with lower incomes.

Figure 4.3: Bar chart showing total net monthly incomes of the survey respondents

The following section 4.6.2 discusses the attributes of the semi-structured interview participants.

4.6.2 Description of semi-structured interview participants

23 interviewees participated in the semi-structured interviews. They were a sub-sample of the survey respondents, that is, they were chosen from the respondents who had completed the survey. As already mentioned, the main criteria for participating in the semi-structured interviews was that the respondent must have indicated that they sent remittances to Zimbabwe in the survey and also volunteered to participate in the semi-structured interviews. This major criterion was supported by other minor criteria which preferred respondents who sent remittances to rural parts of Zimbabwe, received reverse monetary or in-kind remittances from Zimbabwe, and sent intra-diasporic remittances to other nodes of the Zimbabwean diaspora.

Table 4.4 summarises some of the attributes of the semi-structured interview participants. 16 of the interviewees were male and seven were female. The
challenge of recruiting female respondents continued from the survey, and the number of male interviewees was more than double the female interviewees. Three interviewees were aged 21 to 30 years, nine were aged 31 to 40 years, eight were aged 41 to 50 years, and three were aged 51 to 60 years.

Table 4.4: Summary of the attributes of the semi-structured interview participants

<table>
<thead>
<tr>
<th>Respondent’s pseudonym</th>
<th>Gender</th>
<th>Age (years)</th>
<th>Marital status</th>
<th>Year of migration to UK</th>
<th>Income per month (in GBP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rachel</td>
<td>Female</td>
<td>41-50</td>
<td>Married</td>
<td>2005-2009</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Paul</td>
<td>Male</td>
<td>41-50</td>
<td>Divorced or separated</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Tariro</td>
<td>Female</td>
<td>41-50</td>
<td>Married</td>
<td>2000-2004</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Honest</td>
<td>Male</td>
<td>41-50</td>
<td>Married</td>
<td>1995-1999</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Nyasha</td>
<td>Female</td>
<td>51-60</td>
<td>Married</td>
<td>1985-1989</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Brian</td>
<td>Male</td>
<td>41-50</td>
<td>Married</td>
<td>2000-2004</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Anesu</td>
<td>Female</td>
<td>41-50</td>
<td>Divorced or separated</td>
<td>2005-2009</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Wiseman</td>
<td>Male</td>
<td>31-40</td>
<td>Married</td>
<td>2015 &amp; beyond</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Faith</td>
<td>Female</td>
<td>51-60</td>
<td>Married</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Tanaka</td>
<td>Male</td>
<td>21-30</td>
<td>Married</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Martin</td>
<td>Male</td>
<td>41-50</td>
<td>Married</td>
<td>2005-2009</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Nicholas</td>
<td>Male</td>
<td>51-60</td>
<td>Married</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Nkosinathi</td>
<td>Male</td>
<td>31-40</td>
<td>Married</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Charles</td>
<td>Male</td>
<td>31-40</td>
<td>Married</td>
<td>2010-2014</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Kelvin</td>
<td>Male</td>
<td>31-40</td>
<td>Divorced or separated</td>
<td>1995-1999</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Jabulani</td>
<td>Male</td>
<td>21-30</td>
<td>Never married</td>
<td>2010-2014</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Samantha</td>
<td>Female</td>
<td>31-40</td>
<td>Never married</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Stanley</td>
<td>Male</td>
<td>31-40</td>
<td>Married</td>
<td>2015 &amp; beyond</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Ernest</td>
<td>Male</td>
<td>41-50</td>
<td>Married</td>
<td>2000-2004</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Qiniso</td>
<td>Male</td>
<td>21-30</td>
<td>Never married</td>
<td>2000-2004</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Siphosenkosi</td>
<td>Male</td>
<td>31-40</td>
<td>Never married</td>
<td>2000-2004</td>
<td>£3000 and below</td>
</tr>
<tr>
<td>Nonkululeko</td>
<td>Female</td>
<td>31-40</td>
<td>Never married</td>
<td>2010-2014</td>
<td>Above £3000</td>
</tr>
<tr>
<td>Confidence</td>
<td>Male</td>
<td>31-40</td>
<td>Married</td>
<td>2010-2014</td>
<td>£3000 and below</td>
</tr>
</tbody>
</table>

Source: Author’s interviews (2018)

15 of the interviewees were married, while five were single, and three were either divorced or separated. 22 interviewees had either Bachelor or postgraduate university degrees and only one interviewee had polytechnical college education. The monthly income band with the highest number of interviewees, that is, seven interviewees, was £1 501 to £2 000. The monthly incomes for the rest of the interviewees ranged from at least £500 (one interviewee) to £4 000 and above (three interviewees).

11 of the interviewees migrated to the UK from “2000 to 2004” and this period had the highest number of interviewees. The periods in which the other interviewees
migrated to the UK are shown in Table 4.4. The next section 4.7 discusses the analysis of the research data.

4.7 Data analysis
Data from the online survey were analysed descriptively only in the first instance. As already discussed, the descriptive analysis of the survey data led to the selection of participants for the semi-structured interviews. Inferential statistics were only analysed after the semi-structured interviews had been completed and the whole data collection process had been completed. Sections 4.7.1 and 4.7.2 discuss the analysis of the quantitative and qualitative data respectively.

4.7.1 Analysis of quantitative data
Data from the online survey were analysed using IBM SPSS Statistics version 24 and Microsoft Excel. Descriptive and inferential statistics were analysed. Analysis of variance (ANOVA) tests and Pearson Chi-Square tests were conducted when analysing data from the survey. ANOVA tests were conducted in Chapter 5 to test whether some demographic features and remittance practices of respondents who used MIR were different from respondents who used alternative transfer methods. ANOVA tests were also conducted in Chapter 6 to test whether MIR-users generally used more digital financial services than respondents who used alternative transfer methods. Pearson Chi-Square tests were conducted in Chapter 5 to test whether MIR was used more frequently than the alternative transfer methods when conducting transactions involving the study’s chosen marginalised groups, that is, people living in rural areas and women. In Chapter 6, Pearson Chi-Square tests were conducted to analyse whether there was any association between using MIR to send remittances and either receiving reverse in-kind remittances or sending intra-diasporic remittances.

The secondary data from WorldRemit were analysed using Microsoft Excel and the Joinpoint Regression Program desktop version 4.8.0.1 which was produced by the National Cancer Institute (USA). The latter program was used to conduct joinpoint regression analysis of the data. ‘Joinpoint regression analysis, firstly proposed by Kim et al. (2000), is an approach used to study varying trends over time. The model identifies the time point(s) in which the trend significantly changes, that is the joinpoint(s)...’ (Rea et al., 2017, p.1). Joinpoint regression analysis has been applied
outside the medical discipline before. For example, Telli and Saraçlı (2014) applied the technique in the discipline of Finance to analyse returns on stocks traded on the Istanbul Stock Exchange.

I extended my analysis to examine events that occurred in Zimbabwe that could explain the results of the joinpoint regression analysis. I conducted the investigation by systematically analysing news published on a website known as Zimbabwe Situation². I had to resort to using this online resource because my initial plan to use news published by Zimbabwe’s leading weekly financial newspapers was no longer feasible. The Financial Gazette and The Zimbabwe Independent, which are the country’s leading weekly financial newspapers did not have either electronic or hard copy archives of the newspapers they published in 2016. I eventually found the Zimbabwe Situation website which is a secondary source that archives daily news articles published across various Zimbabwean news media.

I began my analysis by examining daily news reports that were published on the Zimbabwe Situation website for the half-year period from July 2016 to December 2016. However, during the analysis I noticed that there were some news reports that were referring to ongoing liquidity problems, that is, ongoing cash shortages in the country. I consequently decided to start the analysis in April 2016 instead, so I could capture the full details about the liquidity crisis in the country. My analysis hence spanned daily news reports published on the Zimbabwe Situation website for nine months from April to December 2016.

The criteria that I used to identify news reports that were relevant to my study was as follows: I identified news reports in Zimbabwean print and online news publications about events in Zimbabwe, especially economic events, that could affect values of remittances sent to the country, or influence the money transfer methods used to send the remittances to Zimbabwe. The news reports I identified included news from the following publications – the Zimbabwe Independent, Financial Gazette, Herald, Sunday News, Standard, DailyNews, NewsDay, Voice of America, NewZimbabwe, Zimbabwean, Source, and allAfrica.

An alternative to the joinpoint regression method that could have been applied to conduct the analysis of the secondary data from WorldRemit is the event study methodology which is used in the Finance discipline to determine whether there is a statistical difference between actual stock returns and required returns surrounding an event (Mushidzi and Ward, 2004). The event study methodology has also been applied to investigate the impact of terrorism on financial markets, or celebrity scandals on their sponsors’ stocks (Chowa et al., 2014). I opted for joinpoint regression analysis because the time period under investigation as well as the number of observations were not sufficient for the application of the event study methodology.

The following section 4.7.2 discusses the analysis of data from the semi-structured interviews.

4.7.2 Analysis of data from semi-structured interviews
The first step in the analysis of the data gathered from the semi-structured interviews was to transcribe the audio recordings of the interviews and produce transcripts for the interviews. I then coded the interview transcripts using N-Vivo version 11 Plus. The coding scheme that I used can be found under Appendix 4.3. I applied theoretical thematic analysis which is also referred to as the deductive or top-down approach (Braun and Clarke, 2006) to analyse the interview data. I developed a coding scheme before I began coding my interview data but remained open to the possibility of creating new codes relevant to my study during the coding exercise. My coding scheme was thus developed according to the approach suggested by Seale (2004, p.313) who asserts that:

The initial stage when faced with an interview transcript … is to develop a set of codes that both reflect the initial aims of the research project, and take into account any unexpected issues that have emerged during data collection. That is to say, a coding scheme emerges both deductively from pre-existing concerns, questions and hypotheses; and inductively from the data itself.

All of the codes that appear on my coding scheme under Appendix 4.3 were developed before the coding exercise began, with the exception of four codes that I added to the scheme during the coding exercise and these were:

— Feelings or sentiments about sending remittances abroad by Zimbabwean senders of remittances living in the UK.
The interview data were consequently analysed using N-Vivo. I made extensive use of N-Vivo’s matrix coding query function to conduct comparisons across the data using attributes I had selected for use in the research which included use of MIR, gender, sending remittances to rural areas in Zimbabwe, and sending intra-diasporic remittances. The following principal themes emerged from the analysis of the interview data:

- Effects of digitalisation of remittances
- Financial inclusion as access to or use of formal financial services
- The role of financial capability in financial inclusion
- Risk or uncertainty
- Functions of money
- Transnational family care
- Intra-diasporic and reverse remittances

It is important to note that the theme of transnational family care was not envisaged as a major part of the research when it was designed but became apparent during the data analysis phase. Issues of transnational family care came up when respondents were answering questions about financial capability during the semi-structured interviews. These were particularly questions about Kempson et al.’s (2005) financial capability domains of managing money and planning ahead. The questions apparently brought out the interviewees’ underlying feelings about having to send remittances. Linkages between the theme of transnational family care, use of MIR and financial inclusion were accordingly given due prominence in the thesis and are discussed separately as Chapter 6.

The following section summarises how I presented the findings from the analysis of my interview data in the thesis.

4.7.3 Presentation of findings in thesis

The findings chapters of this thesis include sections where direct quotations from my semi-structured interview data are included in the discussion of the study’s results.
Whenever quotations from the semi-structured interviews are discussed in the findings Chapters 5 and 6, the personal details of the interviewees are summarised as their pseudonym, gender, age, profession, and year of migration to the UK at the end of every interview quotation. Furthermore, in the case of Chapter 7, the interviewee’s self-evaluation of financial capability (FinCap_SE) is also added to the aforementioned background information.

The following section summarises how I managed my research data.

4.7.4 Research data management
All the research data that were collected during the study were anonymised from the outset. The electronic data from the recordings of interviews, transcription of the interviews, and the processing of survey data were securely stored on the encrypted Open University laptop that I used during the study. In addition to this, the data were also backed up on an encrypted hard drive and on Microsoft OneDrive which is provided by The Open University. I was the only one who had access to the devices and platforms the research data were stored on.

The following section 4.8 moves away from the details of the analysis and management of my research data to discuss the limitations of the study.

4.8 Limitations of the study
The major limitations that affected the study arose because of challenges related to collecting the data that were needed to conduct the study. It was difficult to collect both primary and secondary data that were needed for the study. An investigation of this kind would have been best conducted in a low-income country like Zimbabwe where the effects of MIR on the recipients could have been examined directly. However, it was not possible to conduct the research in Zimbabwe with the recipients of MIR due to legal restrictions (see section 4.4). Moreover, it was also not possible to get the ideal secondary data that I needed for the study. Ideally, the analysis of Schreiner’s (2002) aspect of breadth of outreach (see Chapter 3, section 3.4.2) should have been conducted using data that categorised remittance flows into Zimbabwe by the transfer methods used. However, as aforementioned, such data were difficult to obtain because they could only be obtained from the Zimbabwean government. I hence had to use my own survey data to conduct the analysis. Apparently, challenges with accessing data are not completely unique to studies of
remittances as evidenced by the World Bank’s own records that are not able to report data on some countries. The 2016 Migration and Remittances Factbook reported that several developing countries including Cuba, Turkmenistan, Uzbekistan, and Zimbabwe did not report remittance inflows data to the International Monetary Fund (World Bank, 2016).

Furthermore, there are also limitations to the study that arise from my focus on Zimbabwe as a case study. The relevance of the evidence from my study may be influenced by the unique macroeconomic challenges Zimbabwe has experienced, such as record hyperinflation levels, which have exceeded the challenges in other low-income countries (refer to Chapter 2, section 2.5). As I will demonstrate in Chapter 5, some of the challenges that affected MIR in my study were unusual and may not be found in other low-income countries, for example, the depreciation in the value of electronic balances of money (see section 5.3.2). Moreover, some of the issues that arise under the discussion about transnational family care are influenced by African cultural values like ubuntu which may not be upheld in non-African countries (see Chapter 6).

As aforementioned, there are also ongoing debates in the literature about developing conceptualisations of financial capability that are appropriate for contexts that are different from those in high-income countries, for example, LMICs (Zollman and Collins, 2010; Godinho and Russell, 2013; Storchi and Johnson, 2016) (see Chapter 2, section 2.3.1). Although my study will contribute to these debates, my research evidence is specifically based on my case study of Zimbabwean migrants resident in the UK. My respondents however have the benefit of having lived in both a low-income country, Zimbabwe, and a high-income country, the UK, and have thus experienced the conditions in both country contexts. They are hence able to provide valuable insights regarding the development of conceptualisations of financial capability that are appropriate for different country contexts.

In addition to the limitations discussed, it is also important to acknowledge my positionality in the study as the researcher which I will do in the following sub-section 4.8.1.
4.8.1 Researcher positionality

I will reflect on issues of epistemology and axiology in this section. Relating to epistemology, my epistemological views are consistent with those of scholars who challenge the polarised distinction between objectivity and subjectivity, and instead argue that epistemological issues span a continuum as explained by Teddlie and Tashakkori (2009). I felt that answering some elements of my research questions required close interaction with the respondents because of the complex nature of the questions, while answering other questions did not require close interaction as is also explained by Teddlie and Tashakkori (2009). This led me to adopt the pragmatist paradigm for my study and employ the mixed methods approach (see sections 4.1 and 4.2).

Table 4.2 (under section 4.4) showed how I had to combine the quantitative data from my online survey with qualitative semi-structured interview data in order to answer all my research sub-questions. Furthermore, in the case of research sub-question a which sought to investigate the outreach of MIR, I also had to augment the investigation with an analysis of a secondary quantitative dataset from WorldRemit. The questions that required close interaction with the respondents through qualitative interviews included my investigation of the socio-cultural factors that influenced the sending of MIR (research sub-question d) and the investigation of the effect of sending MIR on the financial capabilities of the senders (research sub-question c). Such questions required close interaction with the respondents in order to understand of the respondents’ experiences and views. In contrast, some questions did not require close interaction with the respondents and could be analysed through quantitative data from the online survey and the secondary WorldRemit dataset. For example, the analysis of Schreiner’s (2002) aspects of breadth and depth of outreach under research sub-question a mainly relied on the analysis of the quantitative data in the study (see Chapter 5, sections 5.2 and 5.4).

Employing the pragmatist paradigm and a mixed methods approach for the study largely worked out well and the approach was able to comprehensively address the research questions. However, as explained under section 4.4, I had to change the focus of the study from the recipients in Zimbabwe to the senders in the UK during the course of the study because of fieldwork restrictions. If the research had sought to investigate the experiences of the senders of the remittances from the outset, then
a different epistemological perspective which supports a more in-depth investigation could have been more appropriate and this could have been the constructivist paradigm. This is because comprehensively investigating the issues that affect financial inclusion of migrants requires deeper interaction with them through employing qualitative research methods and inductive logic.

Pertaining to axiology, as discussed under section 4.1.3, pragmatists believe that values play an important role in conducting research and reaching the conclusions of their studies (Teddlie and Tashakkori, 2009). It is thus also important that I reflect on my positionality in the study. Berger (2013, p.2) summarises the relevant researcher’s positioning as including “personal characteristics, such as gender, race, affiliation, age, sexual orientation, immigration status, personal experiences, linguistic tradition, beliefs, biases, preferences, theoretical, political and ideological stances, and emotional responses to the participant”. I will reflect on three issues that could have affected my research and the responses from research participants which are my immigration status, gender, and beliefs.

The fact that I was a Zimbabwean migrant who was investigating other Zimbabwean migrants in the UK positioned me in the role of an ‘insider’. To some extent, this put me at an advantage because I had some informed ideas about which approaches could work best when trying to recruit respondents and also had reasonable understanding of the community that I was investigating. Berger (2013) also reports having experienced the same benefits when she conducted her research within the Israeli immigrant community in USA which she also belonged to. In my case, I was able to approach groups of Zimbabwean migrants in the UK and invite them to participate in my study since I was a Zimbabwean too. Even when I made extensive use of LinkedIn to recruit respondents (see section 4.4), I was searching for people in the UK who had Zimbabwean surnames and inviting them to participate in my research. An ‘outsider’ may not have even known which kind of surnames were Zimbabwean. Consequently, the recruitment of my respondents did benefit from the fact that I was a Zimbabwean recruiting other Zimbabweans for the study.

However, there was also a drawback that affected me with regards to my gender. The fact that I was male made it difficult for me to recruit female respondents. My research suffered from under-representation of women (see section 4.6) because of
this challenge. Women appeared to be suspicious of receiving messages from an unknown male through online platforms. This challenge hindered me from achieving a gender balance amongst the respondents in my study. It is a limitation of my study.

Finally, in the case of beliefs, my position as an ‘insider’ could be perceived to make me judgmental of the interviewees when they said something that could have seemingly gone against Zimbabwean cultural beliefs. An ‘outsider’ who would have conducted the research would have lacked in-depth knowledge of Zimbabwean culture and could have missed instances where the interviewees made strong remarks as a means of signalling that there was a problem with the issue I was asking about. This was particularly evident in cases discussed in Chapter 6 that involve the cultural aspect of ubuntu (see section 6.2). Being an early career researcher, it often struck me when an interviewee would openly say that “make sure that you are looked after so you can look after others”. This is because I knew that the statement did not augur well with the cultural philosophy of ubuntu but I had to be an ‘insider’ to realise that. An ‘outsider’ would have had limited knowledge about Zimbabwean culture and may not have been able to identify instances where the interviewees’ responses were at odds with dominant cultural norms within Zimbabwe. Consequently, I frequently had to be reflexive through the data collection and data analysis phases in order to control being judgmental of the interviewees based on the things they said and hence try to minimise my personal influence on the study.

The following section 4.9 concludes this chapter by providing a summary of the discussions in the chapter.

4.9 Conclusions
Chapter 4 discussed the research methodology and research design. Working within a pragmatic paradigm that encompasses both objective and subjective points of view; and diverse viewpoints regarding social realities where the best explanations lie within personal value systems (Teddlie and Tashakkori, 2009), I sought to generate quantitative and qualitative data for my study. The data for the study were collected through two methods which were an online survey and semi-structured telephone interviews. The primary data were supplemented by the analysis of a
secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIR sent by their customers to Zimbabwe.

ANOVA tests and Pearson Chi-Square tests were conducted to analyse the survey data, while Joinpoint regression was applied to analyse the secondary data from WorldRemit. Data from the semi-structured interviews were analysed through theoretical thematic analysis. In addition, N-Vivo matrix coding queries were used to further analyse relationships within the interview data. Moreover, as a reflexive researcher, I discussed the limitations of my research design and considered factors that could have affected responses to the questions in my survey and interviews.

The following Chapter 5 is the first of the three empirical analysis chapters, and it examines the outreach of the MIR service.
Chapter 5: Outreach of mobile money-enabled international remittances

5.0 Introduction

As mentioned in the introductory chapters (Chapter 1, section 1.3; and Chapter 2, section 2.3), my study applies the broader conceptualisation of financial inclusion that encompasses access to and use of financial services and financial capability. This perspective is elaborated by Godinho and Russell (2013) who posit that financial inclusion is multi-dimensional and encompasses improving access to appropriate financial services and enhancing financial capability, particularly for marginalised groups. My examination of the access to and use of financial services component of financial inclusion is split into two parts viz. investigating the outreach of MIR, which is the focus of this Chapter 5; and investigating the effect of MIR on the use of other digital financial services, which is done in Chapter 6.

A lot of studies have been conducted on the effects of mobile money services in general (for example, Porteous, 2006; Morawczynski, 2009; Blumenstock et al., 2011; Jack and Suri, 2014; Renteria, 2015; Munyegera and Matsumoto, 2016; Batista and Vicente, 2017). What has however not featured as much in the literature are studies that specifically focus on investigating the effects of MIR, which signifies the turning point at which the technological innovation of mobile money met international remittances (see Chapter 1, section 1.2 for the discussion of the distinction between ordinary mobile money services and MIR). With the exception of a few studies that have focused on MIR in particular (for example, Mirabaud, 2009; Singh, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014; Morvant-Roux et al., 2017. See Chapter 2, section 2.1 for a discussion about these studies), more investigations need to be conducted to understand the effects of MIR. My study will shed more light on the role MIR plays in fostering financial inclusion.

As aforementioned, Chapter 5 will focus on investigating the access to and use of financial services component of financial inclusion. The chapter does this by applying the concept of outreach which is widely used in microfinance studies to examine the use of microfinance services by marginalised groups. To investigate the outreach of MIR, I apply four aspects of Schreiner’s (2002) framework for outreach (see Chapter 3, section 3.4.2) which are worth, breadth, depth and cost. Whereas the latter three
aspects of Schreiner’s framework (breadth, depth and cost) are examined using the primary data that were generated from my study, the primary data that are used in the examination of the aspect of worth are supplemented by evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIR sent by their customers to Zimbabwe. The application of Schreiner’s framework in my study enables me to conduct a comprehensive examination of the role MIR plays in improving access to and use of formal financial services.

Chapter 5 begins with a discussion about the application of the concept of outreach in financial inclusion initiatives (section 5.1). The chapter then moves to the application of Schreiner’s (2002) aspects of breadth (section 5.2), worth (section 5.3), depth (section 5.4), and cost (section 5.5) in the study. The major conclusions from the chapter are discussed in section 5.6. Please note that when quotations from my interview data are discussed in the chapter, the personal details of the interviewees are summarised at the end of each quotation as their pseudonym, gender, age, profession, and year of migration to the UK (see Chapter 4, section 4.7.3).

5.1 Financial inclusion and outreach
As aforementioned, the conceptualisation of financial inclusion that I applied in my study is multi-dimensional and encompasses both access to and use of financial services and financial capability (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). The access to and use of financial services component of financial inclusion encompasses improving use of formal financial services (Demirgüç-Kunt and Klapper, 2013; Allen et al., 2016). In this regard, the concept of outreach has often been employed when examining the progress made by initiatives that aim to improve access to and use of financial services, particularly in the case of microfinance (for example, Cull et al., 2007; Mersland and Strøm, 2008; Hermes et al, 2011). Outreach can be defined as “the extending of services or assistance beyond current or usual limits” (Merriam-Webster, n.d.).

The concept of outreach is also described by Hermes et al. (2011, p.938) who, in the context of microfinance institutions, postulate that:
Microfinance institutions focus on providing credit to the poor who do not have access to commercial banks, in order to reduce poverty and to help the poor with setting up their own businesses [...] This focus is generally described as outreach.

Studies that examine outreach of microfinance institutions tend to focus on the depth of outreach and proxies like the number of female borrowers and average loan size have been used as measures of depth (Cull et al., 2007; Hermes et al, 2011). However, Woller and Schreiner (2004) argue that examinations that focus on depth of outreach alone are limited in scope, and they claim that outreach is multi-dimensional as reflected in Schreiner's (2002) framework (see Chapter 3, section 3.4.2 for the full discussion about Schreiner’s framework). As laid out in Chapter 3, I applied four aspects of outreach from Schreiner’s (2002) multi-dimensional framework in my research namely, breadth, depth, worth and cost in order to examine the outreach of MIR (see section 3.4.4).

In the case of mobile money services in general, a lot of attention has already been given to examining how mobile money has affected the lives of rural communities (for example, Morawczynski and Pickens, 2009; Kirui et al., 2013; Kikulwe et al., 2014; Renteria, 2015; Munyegera and Matsumoto, 2016; Batista and Vicente, 2017; Dube and Chummun, 2019), and people living in poverty and women (for example, Morawczynski and Pickens, 2009) amongst other marginalised groups (see Chapter 2, section 2.2 for the discussion about these studies). As portrayed in the aforementioned microfinance studies, these outcomes can be used as proxies of depth of outreach (Cull et al., 2007; Hermes et al, 2011). The following sections 5.2 to 5.5 discuss how I applied Schreiner’s framework in my research in order to answer questions about the outreach of MIR. The discussion begins with the analysis of the aspect of breadth in section 5.2 below.

5.2 Application of Schreiner’s aspect of breadth

This section analyses Schreiner’s (2002) aspect of breadth of outreach. According to (Woller and Schreiner, 2004), breadth is the number of clients or customers reached. My analysis of breadth hence focuses on evaluating the use of MIR by comparing the number of respondents who use MIR to those who use alternative transfer methods. Table 5.1 shows the transfer methods that were used by the respondents to my survey. My study investigated four methods of sending monetary remittances from the UK to Zimbabwe namely MIR, the cash-collection method (where
remittances were received as hard cash denominated in foreign currency), bank transfers, and informal methods.

Table 5.1: Transfer methods used by survey respondents

<table>
<thead>
<tr>
<th>Transfer method</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple methods</td>
<td>159</td>
<td>45.8%</td>
</tr>
<tr>
<td>Cash collection only</td>
<td>125</td>
<td>36.0%</td>
</tr>
<tr>
<td>MIR only</td>
<td>42</td>
<td>12.1%</td>
</tr>
<tr>
<td>Informal methods only</td>
<td>6</td>
<td>1.7%</td>
</tr>
<tr>
<td>Bank transfer only</td>
<td>3</td>
<td>0.9%</td>
</tr>
<tr>
<td>Does not send remittances</td>
<td>12</td>
<td>3.5%</td>
</tr>
<tr>
<td>Total</td>
<td>347</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Table 5.1 shows that respondents who used multiple transfer methods to send remittances had the highest count (n=159) amongst the transfer methods I investigated. *Multiple transfer methods* comprised various combinations of MIR, cash-collection, bank transfer and informal methods. The combinations of multiple transfer methods that had the highest frequencies were respondents who used MIR and cash-collection only to send remittances (n = 71), followed by those who used cash-collection, MIR, and informal methods only (n = 25) (see Appendix 5.1). When considering respondents who used only one transfer method, as shown in Table 5.1, the number of respondents who used cash-collection (n=125) was almost three times those who used MIR (n=42).

Overall, for the aspect of *breadth of outreach*, I found that the traditional cash-collection method was used more widely by my survey respondents to send remittances than MIR. The effectiveness of MIR as a tool for promoting the use of formal financial services is hence limited in comparison to the cash-collection method. However, the extensive use of multiple transfer methods to send remittances furthermore suggests that respondents may choose to use methods that meet their varying needs at particular times. This also implies that MIR could only *complement* rather than *substitute* the alternative money transfer methods, especially cash-collection. Having noted these results, the following section moves on to discuss the aspect of *worth*.
5.3 Application of Schreiner’s aspect of worth

This section examines Schreiner’s (2002) aspect of *worth of outreach*. According to Woller and Schreiner (2004), worth is the value that clients place on products and services. My analysis of *worth* hence focused on evaluating the extent to which the respondents valued MIR and found the service useful. The analysis comprised both factors that made respondents more willing to use MIR (which I termed *positive worth*), and factors that made them less willing to use MIR (*negative worth*). The factors are discussed below starting with *positive worth*.

5.3.1 Positive worth

The effects that the MIR service has had on the transfer of international remittances was showcased by some of the experiences of my semi-structured interview participants. One interviewee, Honest who had used the MIR, cash-collection and informal methods to send remittances home, explained how MIR had made it easier for him to send remittances to rural parts of Zimbabwe.

> Before the advent of mobile money transfer technology it was really difficult for me, and I think a lot of other people as well, to send money to relatives in the rural areas because they would then have to travel to town to collect the money; or you would send through a third party, and that third party would then have to find ways to travel to the rural areas. But now you can just do it directly. (Honest, Male, 41-50, Psychologist, 1999).

Honest’s response showed how being able to send remittances directly to the mobile phone of the recipient overcame some of the challenges that were encountered in the past when sending remittances to rural areas. These challenges were narrated by some studies that have described how recipients in rural areas had to travel long distances to the nearest town where remittance service providers (RSPs) had offices in order to receive the remittances that would have been sent (Maphosa, 2007; Mavodza, 2019). It was common for the recipients to incur additional transport, food or accommodation costs while travelling to collect the remittances (Maphosa, 2007). MIR had therefore made it much easier for the respondents to send remittances to their relatives who lived in rural parts of Zimbabwe.

Klapper and Singer (2014) summarise the advantages of moving from *cash-based* to *digital* payments as including increased speed, security and privacy of payments, as well as lower transaction costs. The advantages outlined by Klapper and Singer also
apply to MIR which have significantly affected traditional money transfer methods as illustrated in the response below from Nicholas. Nicholas had used the MIR, cash-collection, bank transfer, and informal methods to send remittances home.

Yes, I think the problem initially was that if you wanted to send money to people in Zimbabwe before this new technology, it was basically the banks. And I think they were rigid with their systems; remember depositing money today, it would take another five to six days before someone gets the money. Those are the formal organisations; they dominated the market basically that’s what I can say. So, customer service wasn’t top on their agenda I think. Imagine if someone has got an emergency or a business project that needs money; so if it takes five or six days to transfer the money but I have got people on the ground doing some work and they need to buy some material or they need spare parts; maybe I have customers waiting for the products too. So, I think this new technology increased the speed of doing business basically and also broke the monopoly of big banks and big institutions. (Nicholas, Male, 51-60, Student, 2003).

Nicholas’ response however went beyond the effect of MIR alone, to cover the general effects of the digitalisation of remittances and the possibility of being able to conduct remittance transactions online. Bettman and Harris (2014) noted how previously, before digitalisation, some remittance supply chains involved many actors between the sender and receiver, which decreased the value to the recipient along the way, and added time, complexity and opacity to the process. Digitalisation has however resulted in faster remittance transactions. The multiple positive effects of the digitalisation of remittances on the interviewees were also explained by Kelvin who had used the MIR and cash-collection methods to send remittances home.

… it is not time consuming, it’s fast, it’s efficient, and it saves lots of time for queuing, going to town, catching a bus, find parking. It is just on your phone, you can do it in the middle of the night, under your bed cover, in two minutes it’s done. (Kelvin, Male, 31-40, Warehouse Operative, 2003).

Kelvin’s response highlighted the convenience of conducting remittance transactions online instead of having to go to bricks-and-mortar offices of RSPs to send money. This development has significantly impacted on cash-based methods of sending remittances. Online service platforms enable financial service providers to serve people who are located in areas they do not have a physical presence in, unlike in.
the past where service delivery was dependent on having bricks-and-mortar offices in the areas. The aforementioned sentiments by Kelvin portrayed the convenience that digitalisation had brought to the senders of remittances. The convenience of using online transfer methods was reflected in how respondents were able to send remittances from anywhere, at any time, as long as they had internet access. The interviewees furthermore made particular emphasis about the contribution made by mobile phone software applications in sending remittances. Participants went from having to travel to bricks-and-mortar offices of RSPs to send remittances, to being able to do it on their mobile phones. The effect of the change was illustrated by Confidence who had used the MIR, cash-collection, and informal methods to send remittances home. He highlighted the positive effects of digital methods over cash-based transfer methods:

… you can do it at any time. It’s a lot more easier. Like in the past, we used to go to the shops; you chase around shops and they are closed. But now I can just, whether I’m at the airport and I get a text message that they want money at home for something or there’s an emergency, I can just send them money right away...
(Confidence, Male, 41-50, Lecturer, 2011).

Confidence’s response portrays how the convenience of being able to conduct financial transactions online without visiting a bricks-and-mortar financial institution had made it easier to send remittances. As Confidence notes, remittances could now be sent from virtually anywhere provided there was internet access. This was a positive change from the past where remittances could only be sent within the working hours of bricks-and-mortar RSPs.

Regarding the advantages of using MIR to the recipients of the remittances in Zimbabwe, some interviewees felt that receiving remittances in the form of electronic money and not physical cash was more secure than other cash-based transfer methods. The following response from Paul who had used the MIR and cash-collection methods illustrates how receiving remittances through MIR was more secure than cash-based transfer methods.

[…] it also cuts down like I’ve said earlier on, perhaps losing the money through theft or any other way. You’ll be knowing that you have the money with you and will be able to do whatever you need to do with the money without any fear that someone can take it away from you. Because most shops in the rural areas, they also use that
facility because they know that there is that form of security in knowing that it cuts less time for them going banking, it cuts less time for them travelling to and from the bank; they know their money is secure. It also cuts down criminal activities because no one will steal the money that’s in their account; unless we have, because I think we are not up to date with cyber things. So at least for now the guarantee and the form of security is there with the mobile money transfers to rural areas, the people are still well and ok with that. (Paul, Male, 41-50, Real Estate Management, 2000).

The issue of the relative security of receiving electronic money instead of hard cash frequently featured in the interviews. As explained by Paul, remittances that were received as hard cash exposed recipients to the risk of theft as the money could be stolen from them before they used it. Electronic money therefore brought some form of security. The risks of loss that people living in rural areas are exposed to when they have to travel to banks to collect remittances were also highlighted by Mirabaud (2009) who noted that it was very risky for rural residents to carry hard cash over long distances after collecting remittances. In the case of MIR, my interviewees’ recipients did not need to go to the physical offices of RSPs to collect remittances because the electronic money was received in their mobile money wallets. In addition to this, the recipients could also conduct further transactions using the money, for example, paying for goods and services. The advantages of receiving electronic remittances were also emphasised by Kelvin who illustrated the convenience of receiving remittances through MIR.

One, it is instant; it is more convenient for my family. It is easier for my family to collect the money because; one, it goes straight into your wallet one time, it’s instant, you don’t have to go and cash it out. So, for example, if I send it now, he will receive it in his wallet [the remittances sent through MIR would be received in the EcoCash mobile money wallet of the recipient]. He can just go and do grocery shopping straight away and pay via EcoCash. You don’t have to go and stand in the queue at Western Union and then go and draw it out. But if he wants it in US-dollars in cash then he can go to WorldRemit offices and withdraw it in cash in USD. Otherwise, he can keep it in his wallet, go shopping and use it there and then for example for fuel, it’s in your phone and you can pay for fuel; whereas with Western Union you have to go and withdraw it, get a cold, so it’s just time consuming that way. WorldRemit is instant. (Kelvin, Male, 31-40, Warehouse Operative, 2003).
Kelvin’s response reiterated the convenience of digitalisation to the recipients of MIR in Zimbabwe. Kelvin highlighted how there was no need to visit bricks-and-mortar offices of RSPs to receive remittances. Recipients of MIR could receive remittances in their mobile money wallets and furthermore use the mobile money to pay for goods and services at points-of-sale (POS).

To sum up the *positive worth* of MIR, the interviewees highlighted the advantages that MIR had over cash-based transfer methods as including increased speed of transactions and security for users because of digitalisation. Furthermore, MIR made it easier to send remittances to rural areas as recipients could receive the remittances in electronic form and did not need to travel to bricks-and-mortar offices of RSPs to collect remittances. Digitalisation was also convenient to the senders of remittances who could also send remittances online without having to visit physical offices of RSPs as was required for cash-based transfer methods.

My findings corroborate some studies conducted which also found that the advantages of receiving remittances through MIR instead of the traditional transfer methods include better accessibility (Siegel and Fransen, 2013), reduced risks of loss of money (Mirabaud, 2009), and greater speed of transactions (Mirabaud, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014). The next section moves on to discuss issues that made interviewees less willing to use MIR, that is, negative worth.

### 5.3.2 Negative worth

The macroeconomic environment in Zimbabwe at the time of my study caused a lot of uncertainty or risk that influenced the use of the MIR service. The interviewees frequently expressed concern about how the uncertainty that arose from the economic environment in Zimbabwe led them to choose to send remittances through the cash-collection method instead of MIR. This was illustrated in the response below from Nkosinathi who had used the MIR, cash-collection, and informal methods to send remittances home. Nkosinathi illustrated the additional foreign exchange risk that MIR-users were exposed to.

But recently, when I was sending money to Zimbabwe, because of the exchange rates which are just changing on daily basis; they have advised me that I send it via
Western Union whereby they can go to the branch and collect their money in US-dollars. (Nkosinathi, Male, 31-40, I.T. specialist, 2002).

Although it was inevitable that people sending remittances had to bear some level of foreign exchange risk, the risk appeared greater for MIR-users. People sending remittances from the UK to Zimbabwe normally had to have the money they sent converted from Sterling to US-dollars. This was because the US-dollar was the major currency that was used in Zimbabwe after the adoption of the multi-currency system in 2009 (see Chapter 2, section 2.5). However, after the introduction of Bond notes in Zimbabwe in 2016 (GoZ, 2016c), remittances sent through MIR had to be converted to Zimbabwean Bond notes or RTGS-dollars. It is the exchange rate to the Bond notes that proved problematic as it fluctuated a lot. Both senders and recipients did not like the additional foreign exchange risk that came with using MIR and preferred to use the cash-collection method in order to ensure their remittances were received as US-dollars whose exchange rate was less volatile than the Bond notes one.

In addition to the challenges of foreign exchange risk, my study also showed the prevalence of liquidity risk as shown in the response below by Rachel who had used the MIR, cash-collection, and informal methods to send remittances home.

The money will be there on your phone but when you go and try to cash it out, you’ll be told that they don’t have cash. (Rachel, Female, 41-50, Nurse, 2005).

In the period preceding the introduction of the Bond notes, it had already become increasingly difficult to withdraw electronic money from mobile money wallets and get US-dollars in cash as highlighted by Rachel. This made MIR less popular. The cash-collection method became more popular as recipients would receive hard cash denominated in US-dollars. The problem was further propagated by challenges of hyperinflation in Zimbabwe. According to Bloomberg, annual inflation in Zimbabwe surged to 175.7% in June 2019 before the government suspended official reporting of year-on-year inflation figures until February 2020 (Ndlovu and Marawanyika, 2019). However, in September 2019 the International Monetary Fund reported that annual inflation in Zimbabwe was close to 300% (IMF, 2019).

The macroeconomic challenges in Zimbabwe resulted in the value of electronic money rapidly depreciating to a point where even the physical Bond notes were more valuable than electronic balances of money. These factors made people shun
the MIR service and instead use the cash-collection method. Zimbabwe’s local currency was widely rejected as it did not store value well. The response below from Wiseman illustrates the challenges of the rapid decline in the purchasing power of electronic money in Zimbabwe. Wiseman had used the MIR, cash-collection, and bank transfer methods to send remittances home.

Cash collection actually helps the person you are sending to be able to budget and plan; in essence, when they want to use the money they can perhaps remove or withdraw or spend $100, $10 or $5 from the money [US-dollars]. That way it helps them to better plan. Whereas if you’re going to send mobile money, for example, say $1000 using EcoCash [Zimbabwe-dollars], it is perhaps much more difficult for them to be able to plan how to use that money – (Wiseman, Male, 31-40, Postgraduate student, 2017).

The negative effects experienced by MIR recipients that Wiseman mentions refer to the depreciation in the value of the local Zimbabwean-dollar and more so electronic balances of money. The decline in the purchasing power of mobile money implied that it was not an ideal means of storing savings or even money used for day-to-day expenditures. As was highlighted by Wiseman, it was better to receive remittances in foreign currency through cash-collection in such an environment because the money could be budgeted and saved more easily since it maintained value much better than the Zimbabwean currency.

The following sections further illustrate how the harsh macroeconomic conditions in Zimbabwe during the course of my study had negative effects on the worth of MIR. This is done by presenting evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to its customers. The analysis augments the examination of Schreiner’s aspect of worth of outreach.

5.3.3 Examining ‘worth of outreach’ through trend analysis of WorldRemit data for MIR transactions

This section builds on the discussion about worth of outreach by presenting evidence of the effects of macroeconomic challenges in Zimbabwe on the use of the MIR service. As aforementioned, worth is the value that clients place on products and services (Woller and Schreiner, 2004). The section presents the analysis of secondary data from WorldRemit and shows how the macroeconomic environment in Zimbabwe has affected use of the MIR service. The analysis therefore further
extends the examination of factors that affected the respondents’ willingness to pay for the MIR service. Please note that remittances that were sent through WorldRemit’s MIR service were delivered to the EcoCash mobile money wallets of the recipients in Zimbabwe. The terms MIR and EcoCash, which is the service brand, are therefore used interchangeably in my analysis of the WorldRemit transactions data.

Figure 5.1 shows the number of MIR/EcoCash transactions that were sent to EcoCash wallets in Zimbabwe through WorldRemit between January 2016 and October 2017. The transactions were sent from 44 countries worldwide including the UK, United States, Canada, Germany, Japan, Malaysia, New Zealand, Saudi Arabia, Singapore, South Africa and United Arab Emirates. Two countries, the UK and Australia, contributed 83.9% of all transactions sent to Zimbabwe, resulting in 82.1% of the total money sent.

Figure 5.1: MIR/EcoCash transactions sent to Zimbabwe through WorldRemit from various countries worldwide between January 2016 and October 2017

![Chart showing MIR/EcoCash transactions to Zimbabwe](chart.png)

Source: Author’s secondary analysis of WorldRemit dataset

Further analysis of the data presented in Figure 5.1 reveals that the volumes of MIR/EcoCash transactions from January 2016 to September 2016 had an average increase of about 2,454 transactions per month. A decline in the volume of EcoCash transactions was observed from October 2016 to October 2017. I applied Joinpoint regression analysis to assess the significance of the change in the trend of MIR/EcoCash transactions that were sent to Zimbabwe. ‘Joinpoint regression
analysis, firstly proposed by Kim et al. (2000), is an approach used to study varying trends over time. The model identifies the time point(s) in which the trend significantly changes, that is the joinpoint(s)...' (Rea et al., 2017, p.1). The following section discusses how I applied the joinpoint regression technique in my study.

5.3.4 Joinpoint regression analysis of MIR/EcoCash transactions

I applied joinpoint regression analysis to identify significant abrupt changes in the MIR/EcoCash transactions sent to Zimbabwe over the period January 2016 to October 2017 (see Figure 5.1). The main objective of applying joinpoint regression analysis was to determine the number of points where there was a statistically significant change in the trend. Figure 5.2 is a trend plot for the variables time index and MIR/EcoCash transactions. In Figure 5.2, the time indices 0, 1, 2, ..., 21 are used for the time periods January 2016, February 2016, March 2016, ..., October 2017 respectively. The trend plot presented in Figure 5.2 reveals that there are more data fluctuations from the period September 2016 (time index 8) to October 2017 (time index 21) and this justifies the application of joinpoint regression analysis to assess the number of significant changes in the trend of the data.

Figure 5.2:  Trend plot for the number of MIR/ EcoCash transactions between January 2016 and October 2017

Source: Author’s secondary analysis of WorldRemit dataset
A formal joinpoint regression technique was then applied to assess the number of best-fitting points in the trend that are statistically significant. The analysis was run through a number of hypotheses which each involved 4 500 permutations/iterations. A summary of the statistical results is presented in Table 5.2.

Table 5.2: Hypothesis tests to identify the number of joinpoints for MIR/ Ecocash transactions from January 2016 to October 2017

<table>
<thead>
<tr>
<th>Test Number</th>
<th>Null Hypothesis</th>
<th>Alternate Hypothesis</th>
<th>Numerator Degrees of Freedom</th>
<th>Denominator Degrees of Freedom</th>
<th>Number of Permutations</th>
<th>P-Value</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>0 joinpoints</td>
<td>6 joinpoints</td>
<td>8</td>
<td>12</td>
<td>4500</td>
<td>0.0002222</td>
<td>0.0125000</td>
</tr>
<tr>
<td>#2</td>
<td>1 joinpoints</td>
<td>4 joinpoints</td>
<td>6</td>
<td>12</td>
<td>4500</td>
<td>0.1211111</td>
<td>0.0166667</td>
</tr>
<tr>
<td>#3</td>
<td>1 joinpoints</td>
<td>3 joinpoints</td>
<td>4</td>
<td>14</td>
<td>4500</td>
<td>0.0638056</td>
<td>0.0166667</td>
</tr>
<tr>
<td>#4</td>
<td>1 joinpoints</td>
<td>2 joinpoints</td>
<td>2</td>
<td>16</td>
<td>4500</td>
<td>0.1964444</td>
<td>0.0166667</td>
</tr>
</tbody>
</table>

Source: Author's secondary analysis of WorldRemit dataset

The conclusion for the hypothesis testing was reached after four hypothesis tests. Both the null hypotheses and alternative hypotheses are presented in Table 5.2. From the results presented in both Figure 5.2 and Table 5.2, the conclusion is that there is only one joinpoint in the trend of the number of MIR/EcoCash transactions from January 2016 to October 2017. The conclusion is reached at the 5% level of significance.

A single joinpoint implies that the data under consideration can be joined by two slopes. As shown in Figure 5.2, the data in the first part of the trend have a slope of 2479.28 indicating that on average, the number of MIR/EcoCash transactions were increasing by nearly 2 500 from month to month from January 2016 to August 2016. This was then followed by a trend with a slope of negative 467.08 which indicates that the number of MIR/EcoCash transactions were decreasing at the rate of about 470 from month to month during the period August 2016 to October 2017.

I consequently applied simple linear modelling to estimate the values of the MIR/EcoCash transactions had there been no change in the trend up to October 2017. The results are presented in Table 5.3. The abrupt change around August to September 2016 had a huge effect on the volume of transactions. The modelling applied revealed that had there been no abrupt change around August to September 2016, other factors held constant, the MIR/EcoCash transactions would have reached around 82 695 in volume by October 2017. The volume of MIR/EcoCash
transactions therefore experienced a sharp decline. In October 2017, the MIR/Ecocash transactions had fallen to 36,979. This is clear evidence that the abrupt change around August to September 2016 affected the volume of remittances sent to Zimbabwe through MIR/EcoCash.

Table 5.3: Trend estimate if there had been no abrupt change around August to September 2016

<table>
<thead>
<tr>
<th>Date</th>
<th>Time Index</th>
<th>Actual</th>
<th>Forecasted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-16</td>
<td>1</td>
<td>31,867</td>
<td></td>
</tr>
<tr>
<td>Feb-16</td>
<td>2</td>
<td>32,268</td>
<td></td>
</tr>
<tr>
<td>Mar-16</td>
<td>3</td>
<td>36,914</td>
<td></td>
</tr>
<tr>
<td>Apr-16</td>
<td>4</td>
<td>40,418</td>
<td></td>
</tr>
<tr>
<td>May-16</td>
<td>5</td>
<td>42,407</td>
<td></td>
</tr>
<tr>
<td>Jun-16</td>
<td>6</td>
<td>41,729</td>
<td></td>
</tr>
<tr>
<td>Jul-16</td>
<td>7</td>
<td>44,027</td>
<td></td>
</tr>
<tr>
<td>Aug-16</td>
<td>8</td>
<td>49,480</td>
<td></td>
</tr>
<tr>
<td>Sep-16</td>
<td>9</td>
<td>51,687</td>
<td></td>
</tr>
<tr>
<td>Oct-16</td>
<td>10</td>
<td>48,329</td>
<td>53,404</td>
</tr>
<tr>
<td>Nov-16</td>
<td>11</td>
<td>43,899</td>
<td>55,845</td>
</tr>
<tr>
<td>Dec-16</td>
<td>12</td>
<td>49,907</td>
<td>58,286</td>
</tr>
<tr>
<td>Jan-17</td>
<td>13</td>
<td>42,839</td>
<td>60,727</td>
</tr>
<tr>
<td>Feb-17</td>
<td>14</td>
<td>42,396</td>
<td>63,168</td>
</tr>
<tr>
<td>Mar-17</td>
<td>15</td>
<td>46,913</td>
<td>65,609</td>
</tr>
<tr>
<td>Apr-17</td>
<td>16</td>
<td>44,957</td>
<td>68,049</td>
</tr>
<tr>
<td>May-17</td>
<td>17</td>
<td>47,821</td>
<td>70,490</td>
</tr>
<tr>
<td>Jun-17</td>
<td>18</td>
<td>43,797</td>
<td>72,931</td>
</tr>
<tr>
<td>Jul-17</td>
<td>19</td>
<td>44,797</td>
<td>75,372</td>
</tr>
<tr>
<td>Aug-17</td>
<td>20</td>
<td>46,548</td>
<td>77,813</td>
</tr>
<tr>
<td>Sep-17</td>
<td>21</td>
<td>43,841</td>
<td>80,254</td>
</tr>
<tr>
<td>Oct-17</td>
<td>22</td>
<td>36,979</td>
<td>82,695</td>
</tr>
</tbody>
</table>

Source: Author’s secondary analysis of WorldRemit dataset

I examined the events that occurred in Zimbabwe around August to September 2016 in order to identify possible causes of the abrupt change observed in the volume of MIR/EcoCash transactions. I conducted the investigation by systematically searching
news published on a website known as *Zimbabwe Situation*³ (see Chapter 4, section 4.7.1 for more about the fieldwork). The criteria that I used to identify news reports that were relevant to my study was as follows: *I identified news reports in Zimbabwean print and online news publications about events in Zimbabwe, especially economic events, that could affect values of remittances sent to the country, or influence the money transfer methods used to send the remittances to Zimbabwe.*

The analysis showed that in 2016, Zimbabwe experienced challenges of a severe drought, food shortages, government struggling to pay civil service salaries, and an acute liquidity crisis. The liquidity crisis was initially experienced because Zimbabwe was under the multi-currency regime where most transactions were conducted using the US-dollar (see Chapter 2, section 2.5). The country experienced severe shortages of the US-dollar, and banks were struggling to meet their clients’ cash withdrawal demands as evidenced by several news reports published on the *Zimbabwe Situation* website from April 2016.

The analysis of the news reports showed that a major milestone was reached in May 2016 when the Reserve Bank of Zimbabwe announced plans to introduce Bond Notes in order to ease the cash shortages. The Bond Notes were local Zimbabwean money with denominations ranging from $2 to $20, whose purchasing power was intended to be equal to the US-dollar. The Bond Notes were meant to ease the liquidity crisis. Zimbabwean citizens strongly resisted the plans to introduce the Bond Notes because people feared that this was a disguise for the return of Zimbabwe’s national currency which had been abandoned in 2008 following problems of hyperinflation, and was replaced by the multi-currency system (see Chapter 2, section 2.5). The analysis of the news reports furthermore showed how some economic analysts, private sector companies, opposition political parties, civil society groups, and other general members of the public called for the government to abandon the plans to introduce the Bond Notes, and the government’s plans were even challenged in the country’s Courts of Law. Banks also began to experience

panic cash withdrawals and long queues as people rushed to withdraw their US-
dollar deposits before the Bond Notes were introduced.

Although the Bond Notes were expected to have been introduced by August 2016,
delays were experienced until November 2016 when the government eventually
introduced the Bond Notes. Meanwhile, the liquidity crisis persisted over the period
April 2016 to November 2016 when the Bond Notes were eventually introduced.
Moreover, the economic problems in the country continued until the multi-currency
system that the government had adopted in January 2009 was eventually officially
abolished in June 2019, and the country officially re-introduced the Zimbabwe-dollar
as the sole legal tender (GoZ, 2019b).

The liquidity problems in Zimbabwe that were reported in the media over the period
April 2016 to November 2016 impacted on the ability of mobile money agents to
provide cash-out services, and consequently negatively affected the use of the MIR
service to send international remittances. This is to say, the liquidity challenges
exacerbated the negative worth of MIR. This was evidenced by a news article
published by The Standard in September 2016 which was authored by Mtomba
(2016) and entitled, “Cash shortages cripple mobile money”. Part of the article read
as follows:

The prevailing cash shortages have suffocated mobile money subscribers, who are
failing to get their money or do cash-out transactions.

The crisis, which now makes it almost impossible for subscribers to make cash-out
transactions even for as little as [US]$5, is a setback to the financial inclusion plan.
Mobile money was touted as the key driver to financial inclusion by virtue of its wide
network coverage.

A survey conducted by Standardbusiness last week revealed that customers were
failing to cash-out money they would have received through the mobile money
platform as the agents did not have cash to disburse to customers…

People in the rural areas have been hardest hit, amid claims that agents were giving
subscribers part of their money in the form of groceries…

Zimbabwe has been grappling with cash shortages since the beginning of the year.
Bank queues have become a common feature at most banks, forcing most of them to
place a [US]$100 limit on withdrawals. The crisis has also resulted in the
disappearance of big denomination notes like the [US]$100 note. (My emphasis).

Following the analysis, I concluded that the abrupt change I observed in the volume
of MIR/EcoCash transactions around August to September 2016 following the
application of joinpoint regression analysis was caused by the acute liquidity crisis in
Zimbabwe which was making it difficult for people who used mobile money to
convert their electronic money to hard cash. This problem also affected people who
received international remittances through the MIR service. The government’s
announcement in May 2016 about its plans to introduce the Bond Notes, and the
pursuant waiting period until the Bond Notes were eventually introduced in
November 2016, further eroded the confidence that the public had in the banking
sector, and people moved to withdraw their US-dollar deposits from banks before the
Bond Notes were introduced. These panic withdrawals probably negatively affected
mobile money services as well since people preferred to hold hard cash
denominated in foreign currency rather than keep money in financial institutions at
that time.

To sum up, the secondary trend analysis of the WorldRemit transactions data has
supplemented the analysis of negative worth under Schreiner’s framework by
showing how liquidity problems in the Zimbabwean economy negatively affected the
MIR service. The challenges of negative worth, that is, foreign exchange risk,
liquidity risk, and inflationary pressures (see section 5.3.2), apparently outweighed
the convenience, accessibility, and security of digitalisation that came with MIR
which I discussed as positive worth (see section 5.3.1). This is because the joinpoint
regression analysis revealed how the use of MIR to send remittances declined
because of the macroeconomic problems in Zimbabwe despite all the convenience
and security that the service brought to the recipients of remittances. The
effectiveness of MIR as a tool for promoting access to and use of formal financial
services was therefore curtailed by the macroeconomic challenges in Zimbabwe
which prejudiced the worth of MIR.

The fact that mobile money agents in both my Zimbabwean study and that of Burkina
Faso by Morvant-Roux et al. (2017) all experienced liquidity problems that made it
difficult for them to provide cash-out services to MIR recipients suggests that the
liquidity challenges could be experienced in other parts of the world too, particularly
in rural areas. There could therefore be need for financial institutions and
governments to devise means of supporting mobile money agents who operate in
rural areas in order to foster financial inclusion of rural areas and encourage greater
use of MIR over informal remittance methods. As Morvant-Roux et al. (2017)
observed in their study, the problem further translates into security and safety risks
that rural mobile money agents are exposed to when they need to either acquire or
hold onto large amounts of cash which serves as a float for transactions by their
clients. The agents could thus benefit from training in cashflow management.

It should furthermore be noted that MIR service providers in Zimbabwe later tried to
revive the MIR service in 2020 by introducing mobile money wallets that were
denominated in US-dollars. People who received remittances through the revived
MIR service would cash-out the US-dollars in their mobile money wallets at the
physical offices of the RSPs in Zimbabwe. The revived MIR service was notably
provided by Cassava Remit and EcoCash Remit, and recipients could cash-out the
remittances in exchange for US-dollar notes at Econet shops in Zimbabwe. There
was however a drawback in that the revived MIR service was limited in use
compared to the original one because recipients could no longer use the electronic
balances in their mobile money wallets to pay for goods and services, but instead
had to cash-out and get hard cash denominated in foreign currency. This change
was brought about by the re-introduction of the Zimbabwean-dollar in 2019. The
performance and outreach of the revived MIR service after 2019 were beyond the
scope of my research and are not discussed in this thesis.

Relating to policy recommendations, the Zimbabwean government could consider
promulgating a universal service obligation for mobile money service providers in
Zimbabwe. A universal service obligation involves the recognition that access to a
particular service is a basic right of all citizens which is essential for full participation
in the community, and hence requires universal geographical availability, non-
discriminatory access, and reasonable costs of the service (Blackman, 1995).
Implementing a universal service obligation for mobile money service providers
would ensure the efficient provision of mobile money services, and consequently
MIR, in all rural areas where they are useful. However, this is a distant goal because
of the macroeconomic challenges in Zimbabwe that are already making it difficult for
mobile money companies to offer their services sustainably. The concept could hence be tried in a country with a more stable economic environment first.

The following section moves on to discuss the aspect of depth of outreach.

5.4 Application of Schreiner's aspect of depth

This section examines Schreiner's (2002) aspect of depth of outreach. In Schreiner’s framework, ‘depth is defined as clients' poverty level or other social preferences like the percentage of women reached’ (Mersland and Strøm, 2008, p.599). The aspect of depth can be linked to the literatures on the digital divide (see Chapter 2, section 2.2) and measures of financial inclusion. The Zimbabwean government’s National Financial Inclusion Strategy identifies some groups that are the focus of the strategy and these include women, youth, rural populations, and small-scale agricultural communities (GoZ, 2016b).

I selected the proxies of depth that I investigated in my study by examining marginalised groups that have been the focus of research on mobile money services (see Chapter 2, section 2.2), as well as the national needs identified by the Zimbabwean government. The main proxies of depth that my study employed were sending remittances to rural parts of Zimbabwe, and sending or receiving remittances by women (refer to Chapter 3, section 3.4.4). My study therefore evaluated the effectiveness of MIR by analysing the extent to which the service was used by the marginalised groups I examined, that is, women and people living in rural areas.

Before examining the main proxies of depth I chose, I explored depth more widely by investigating whether the respondents who used the different money transfer methods I investigated in my study differed in terms of their age, monthly income, the value of remittances they sent annually, and the frequency at which they sent the remittances annually. The transfer methods I investigated were MIR, Cash collection, Informal methods, Bank transfer, and Multiple methods (see section 5.2). The background analysis would help in identifying some of the attributes of the respondents who used MIR and provide preliminary insights into whether MIR could reach marginalised groups. I did the analysis by conducting a series of one-way Analysis of Variance (ANOVA) tests that addressed the following hypotheses:
The results of the one-way ANOVA tests are presented in Table 5.4. The results showed that there were no significant differences in the following variables for the respondents who used the different transfer methods I investigated: Age (p-value, 0.122), Monthly income (p-value, 0.220), and Amount of remittances sent per year (p-value, 0.576). However, the variable Frequency of sending remittances per year had a p-value of 0.012 which was less than the significance level of 0.05. This indicated that there was a mean difference in the frequency of sending remittances annually for respondents who used the different transfer methods.
### Table 5.4: Results of one-way ANOVA tests for mean differences in the variables Age, Monthly income, Amount of remittances sent annually, and Frequency of sending remittances annually based on the transfer methods used

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>679.265</td>
<td>5</td>
<td>135.853</td>
<td>1.754</td>
<td>.122</td>
</tr>
<tr>
<td>Within Groups</td>
<td>26411.801</td>
<td>341</td>
<td>77.454</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27091.066</td>
<td>346</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Monthly income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>8263180.020</td>
<td>5</td>
<td>1652636.004</td>
<td>1.410</td>
<td>.220</td>
</tr>
<tr>
<td>Within Groups</td>
<td>389130311.104</td>
<td>332</td>
<td>1172079.250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>397393491.124</td>
<td>337</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amount of remittances sent per year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>28444401.062</td>
<td>4</td>
<td>7111100.265</td>
<td>.724</td>
<td>.576</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2857960700.290</td>
<td>291</td>
<td>9821170.791</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2886405101.351</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Frequency of sending remittances per year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>551.907</td>
<td>4</td>
<td>137.977</td>
<td>3.295</td>
<td>.012</td>
</tr>
<tr>
<td>Within Groups</td>
<td>12813.045</td>
<td>306</td>
<td>41.873</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13364.952</td>
<td>310</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

I conducted Post-hoc analysis to identify the transfer methods with statistically significant differences in the frequency of sending remittances. The Post-hoc analysis technique which I applied was the Least Squares Differences (LSD) test and the results are presented in Table 5.5.

### Table 5.5: Least Squares Differences Multiple Comparisons

<table>
<thead>
<tr>
<th>(I) Transfer method</th>
<th>(J) Transfer method</th>
<th>Mean Difference (I-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>MIR</td>
<td>Multiple methods</td>
<td>-1.02365</td>
<td>1.13391</td>
<td>.367</td>
<td>-3.2549</td>
</tr>
<tr>
<td></td>
<td>Cash collection</td>
<td>1.23153</td>
<td>1.16531</td>
<td>.291</td>
<td>-1.0615</td>
</tr>
<tr>
<td></td>
<td>Informal methods</td>
<td>5.51429</td>
<td>3.06129</td>
<td>.073</td>
<td>-.5096</td>
</tr>
<tr>
<td></td>
<td>Bank transfer</td>
<td>5.04762</td>
<td>3.86711</td>
<td>.193</td>
<td>-2.5619</td>
</tr>
</tbody>
</table>

*, The mean difference is significant at the 0.05 level.

Source: Author’s survey (2018)

The results in Table 5.5 show that for the variable *Frequency of sending remittances per year*, there is a mean difference between respondents who used the MIR transfer method and Informal methods (p-value, 0.073) at the 10% level of significance. In other words, respondents who used MIR sent remittances more frequently over the course of the year than respondents who used Informal methods.
Overall, the results of the one-way ANOVA tests show that the respondents who used MIR did not differ from respondents who used the other money transfer methods I analysed (cash-collection, bank transfer, informal methods, and multiple methods) in terms of their age, monthly income, and the value of remittances they sent annually. These findings differ from the results of Morvant-Roux et al. (2017) who found that the senders of MIR in their study were generally of younger ages and had lower incomes. Furthermore, Morvant-Roux et al. (2017) also reported that the monetary values of remittances sent through MIR were significantly lower than those sent through other transfer methods.

The analysis above has examined the general attributes of the respondents who used different transfer methods, and established that there were no differences between respondents who used MIR and those who used the other transfer methods in terms of their age, monthly income, and the value of remittances they sent annually. The only difference I found was that respondents who used MIR sent remittances more frequently over the course of the year than respondents who used Informal methods. There was therefore no evidence that MIR was reaching respondents with lower incomes, or respondents of younger or older ages, better than the other transfer methods from this preliminary analysis.

The difference between my findings that respondents who used MIR did not differ from respondents who used other money transfer methods and the findings of Morvant-Roux et al. (2017) who found differences between senders of MIR and those who used other transfer methods probably stems from differences between our study samples. My respondents were based in the UK which is an advanced industrialised country while those of Morvant-Roux et al.’s study were based in Ivory Coast, a developing country. The lower incomes reported and the lower values of remittances sent by MIR-users in Morvant-Roux et al.’s study could be attributable to the nature of their sample since they collected data from migrants who worked in rural smallholder farming areas in Ivory Coast, whose incomes could be lower to begin with. In contrast my respondents were generally educated professional employees in the UK (see Chapter 4 section 4.6 for more about my study sample).

In addition, the use of MIR by younger people in Morvant-Roux et al.’s study could be attributable to the fact that Ivory Coast does not have as much access to ICTs as
the UK. The ICT Development Index (IDI), a benchmark of the level of ICT development in countries across the world, showed that in 2017 the UK ranked fifth highest in the world with an IDI of 8.65 while Ivory Coast was ranked number 131 with an IDI of 3.14 (International Telecommunication Union, 2017). The IDI combines 11 indicators on ICT access, use and skills, capturing key aspects of ICT development in one measure thus allowing for comparisons to be made between countries and over time (ibid). The aforementioned indices imply that people living in the UK may be more digitally literate than those in Ivory Coast as there is broader use of ICTs. In contrast, in Ivory Coast where access to ICTs is more limited, younger generations could find it easier to access and use new ICTs like mobile technology and MIR while older people could find the technology complicated. The next sections move on to analyse the main proxies of depth that I employed in my study, that is, sending or receiving remittances by women (section 5.4.1) and sending remittances to rural areas (section 5.4.2).

5.4.1 Sending or receiving remittances by women

This section analyses the extent to which the MIR service was used by women to either send or receive remittances. I conducted tests for association to ascertain whether there was any association between use of MIR and the gender of the senders, as well as the recipients of the remittances in Zimbabwe. For the first case, Table 5.6 disaggregates the transfer methods used according to the gender of the senders. The table shows that the transfer method that had the highest count for both men (n=118) and women (n=41) was Multiple methods where the respondents combined different transfer methods when sending remittances.

Table 5.6: Crosstabulation between transfer methods used and the gender of the respondent/sender

<table>
<thead>
<tr>
<th>Transfer methods used by respondents</th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Multiple methods</td>
<td>118 (74.21%)</td>
<td>41 (25.79%)</td>
</tr>
<tr>
<td>Cash collection only</td>
<td>100 (80.00%)</td>
<td>25 (20.00%)</td>
</tr>
<tr>
<td>MIR only</td>
<td>31 (73.81%)</td>
<td>11 (26.19%)</td>
</tr>
<tr>
<td>Informal methods only</td>
<td>4 (66.67%)</td>
<td>2 (33.33%)</td>
</tr>
<tr>
<td>Bank transfer only</td>
<td>1 (33.33%)</td>
<td>2 (66.67%)</td>
</tr>
<tr>
<td>Does not send remittances</td>
<td>9 (75.00%)</td>
<td>3 (25.00%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>263 (75.79%)</strong></td>
<td><strong>84 (24.21%)</strong></td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)
The widely used test for association between categorical variables used is the *Pearson Chi-Square Test*. However, there was a challenge in that when I conducted the Pearson Chi-Square Test using the data in Table 5.6, some cells in the results of the test had expected counts that were below five, and thus violated the assumptions of the Pearson Chi-square Test. I consequently addressed this challenge by excluding the groups of respondents who used the *Bank transfer only* and *Informal methods only* from the analysis so I could still use the Pearson Chi-Square Test for the analysis. Furthermore, I excluded respondents who did not send remittances from the analysis.

In order to conduct the Pearson Chi-Square Test using the data in Table 5.6, I formulated the hypotheses stated below.

\[ H_0: \text{There is no association between transfer method used and the gender of the sender} \]

\[ H_1: \text{There is an association between transfer method used and the gender of the sender} \]

Table 5.7 shows the results of the test for association.

**Table 5.7: Results of test for association between transfer method used and gender of sender**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>1.475a</td>
<td>2</td>
<td>.478</td>
<td>.485</td>
</tr>
<tr>
<td>Number of Valid Cases</td>
<td>326</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.92.*

**Source: Author’s survey (2018)**

The results in Table 5.7 show that the Pearson Chi-Square Test for association between the gender of the sender and the transfer method used gave a p-value of 0.478 which implied that there was no association between the transfer method used and the gender of the sender. I proceeded to test whether there was any association between the gender of the recipient in Zimbabwe and the transfer method used. Table 5.8 disaggregates the transfer methods investigated according to the gender of the recipients of the remittances in Zimbabwe.
Table 5.8: Crosstabulation between transfer method used and the gender of the recipient in Zimbabwe

<table>
<thead>
<tr>
<th>Transfer methods used by respondents</th>
<th>Gender of recipient in Zimbabwe</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple methods</td>
<td>7 (18.92%)</td>
<td>30 (81.08%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash collection</td>
<td>19 (33.33%)</td>
<td>38 (66.67%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIR</td>
<td>8 (30.77%)</td>
<td>18 (69.23%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34 (28.33%)</td>
<td>86 (71.67%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Table 5.9 shows the results of the test for association between the gender of the recipient and the transfer method used which were conducted using the data in Table 5.8. The Pearson Chi-Square Test gave a p-value of 0.302 which implied that there was no association between the gender of the recipient in Zimbabwe and the transfer method used.

Table 5.9: Results of tests for association between transfer method used and gender of recipient

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>2.393a</td>
<td>2</td>
<td>.302</td>
<td>.337</td>
</tr>
<tr>
<td>Number of Valid Cases</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Overall, the results suggested that MIR were no more financially-inclusive of women than the other transfer methods I investigated (Cash-collection and Multiple methods), and therefore question the optimism in the literature (for example, Singh, 2009) about MIR being instrumental in fostering financial inclusion of some financially-excluded women. My findings validate those of Morvaut-Roux et al. (2017) whose study also reported limited use of MIR by women. I therefore found no evidence that the women in my study were more likely to use MIR than the other transfer methods to either send or receive remittances, hence MIR did not have greater depth than the other transfer methods based on the proxy of use by women. The results of my study must however still be interpreted in light of the macroeconomic challenges in Zimbabwe discussed by interviewees under negative worth (see section 5.3.2) which apparently curtailed the use of MIR in the country. There remains a possibility that different results could have been found if these macroeconomic challenges had not existed. Having reached
these results, the following section examines the other proxy of depth which is sending remittances to rural areas.

### 5.4.2 Sending remittances to rural areas in Zimbabwe

Table 5.10 cross-tabulates the money transfer methods used by the respondents and whether they sent remittances to rural parts of Zimbabwe. The table shows that only 35.71% of the remittances that were sent through MIR went to rural parts of Zimbabwe, while 64.29% of the remittances went to non-rural areas.

Table 5.10: Crosstabulation of respondents’ transfer methods and sending remittances to rural areas

<table>
<thead>
<tr>
<th>Transfer methods used by respondents</th>
<th>Send to rural areas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Multiple methods</td>
<td>82 (51.57%)</td>
<td>77 (48.43%)</td>
</tr>
<tr>
<td>Cash collection</td>
<td>87 (69.60%)</td>
<td>38 (30.40%)</td>
</tr>
<tr>
<td>MIR</td>
<td>27 (64.29%)</td>
<td>15 (35.71%)</td>
</tr>
<tr>
<td>Informal methods</td>
<td>4 (66.67%)</td>
<td>2 (33.33%)</td>
</tr>
<tr>
<td>Bank transfer</td>
<td>3 (100.00%)</td>
<td>0 (0.00%)</td>
</tr>
<tr>
<td>Does not send remittances</td>
<td>12 (100.00%)</td>
<td>0 (0.00%)</td>
</tr>
<tr>
<td>Total</td>
<td>215 (61.96%)</td>
<td>132 (38.04%)</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

I complemented the findings presented in Table 5.10 by examining how often MIR were used to send remittances to rural areas through the analysis of data that were generated from a different survey question. The survey question (see Appendix 4.1, question 22) asked respondents who had used MIR before to provide the names of the exact places in Zimbabwe where the people whom they sent MIR lived. I used the places the respondents provided to construct Table 5.11. The question permitted the respondents to write multiple locations if they sent remittances to different places. The results in Table 5.11 show that 88.13% of the locations the respondents sent MIR to were urban, while only 11.87% were rural.

Table 5.11: Location of recipients of MIR in Zimbabwe

<table>
<thead>
<tr>
<th>Location of recipients of MIR</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>297</td>
<td>88.13%</td>
</tr>
<tr>
<td>Rural</td>
<td>40</td>
<td>11.87%</td>
</tr>
<tr>
<td>Total</td>
<td>337</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)
Reverting to the cross-tabulation results presented in Table 5.10, I conducted tests for association to ascertain whether there was any association between the use of MIR and sending remittances to rural areas using the data in the table. The hypotheses that were under consideration were as follows:

\( H_0: \text{There is no association between transfer method used and sending remittances to rural areas} \)

\( H_1: \text{There is an association between transfer method used and sending remittances to rural areas} \)

As was the case with the proxy of use of MIR by women, the initial results of the Pearson Chi-Square Test that was run using the data in Table 5.10 showed that the assumptions of the test had been violated because some of the cells in the results had expected counts that were less than five. I therefore re-ran the test while excluding the groups *Informal methods, Bank transfer* and *Does not send remittances* which had resulted in the violation of the test assumptions. The results of the Pearson Chi-Square Test are presented in Table 5.12. The test for association between sending remittances to rural parts of Zimbabwe and the transfer method used gave a p-value of 0.007 which was less than the 0.01 level of significance. This implied that there was an association between the two variables.

### Table 5.12: Results of tests for association between transfer methods and sending remittances to rural areas

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9.835</td>
<td>2</td>
<td>.007</td>
<td></td>
</tr>
<tr>
<td>Number of Valid Cases</td>
<td>326</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*0 cells (0.0%) have expected count less than 5. The minimum expected count is 16.75.*

Source: Author’s survey (2018)

I further investigated the relationship between the transfer methods used and sending remittances to rural areas by conducting separate Pearson Chi-Square tests for each of the transfer methods (see Appendix 5.2 for the tests). The Pearson Chi-Square Tests showed that there was no association between use of MIR and sending remittances to rural areas (p-value 0.555). However, the test showed that there was a relationship between use of Multiple transfer methods and sending remittances to rural parts of Zimbabwe (p-value 0.002). The *odds ratio* showed that respondents used Multiple transfer methods to send remittances to rural areas 2.02.
times more often than they used cash-collection or MIR alone to do so. The odds ratio tests whether the odds of a particular event or outcome is the same for two groups (McHugh, 2009). (Please note that Multiple transfer methods comprised various combinations of MIR, cash collection, bank transfer and informal methods - see section 5.2 above).

The observation that there was limited use of MIR in sending remittances to rural areas was an unexpected result. This suggested that MIR were not as financially-inclusive of people living in rural areas as the literature suggests can be expected (Mirabaud, 2009; Siegel and Fransen, 2013). The results however corroborate those of Morvant-Roux et al. (2017) who found that although the infrastructure for receiving MIR existed in rural parts of Burkina Faso and more than 70% of the RSPs in the rural areas were mobile money agents, the mobile money agents had liquidity problems and experienced challenges with paying out cash to people who had received remittances through MIR. Morvant-Roux et al. noted that possibly, the liquidity challenges, as well as the fact that the MIR service was still in its infancy as it had only been recently introduced, resulted in low usage of MIR with only 35% of the remittances that were sent from Ivory Coast to Burkina Faso by their respondents being transmitted through MIR. I also found similar liquidity problems of mobile money agents in my study which contributed to lower usage of MIR (see section 5.3).

Overall, for the aspect of depth, my investigation found that the survey respondents were no more likely to use MIR to send remittances to either rural parts of Zimbabwe, or to female recipients, than they would use cash-collection or multiple transfer methods. In addition, female respondents were no more likely to use MIR to send remittances than they would use either cash-collection or multiple transfer methods. The results implied that MIR were no more financially-inclusive of people living in rural areas and women than the traditional cash-collection method. Hence, the effectiveness of MIR as a tool for promoting financial inclusion of the marginalised groups I investigated (that is, women and people living in rural areas) was limited and no better than the cash-collection method. However, as aforementioned, the results could have been influenced by the macroeconomic challenges in Zimbabwe that discouraged the use of MIR (see section 5.3). Having reached this result, the following section moves on to analyse the aspect of cost.
5.5 Application of Schreiner’s aspect of cost

This section analyses Schreiner’s (2002) aspect of cost of outreach. According to Woller and Schreiner (2004), cost is the sum of price costs and transaction costs to clients. Price costs are direct cash payments, while transaction costs are non-price costs like time (Schreiner, 2002). My analysis of the aspect of cost hence focuses on examining the price and transaction costs that senders and recipients of MIR incur and evaluating whether these could be cheaper than the major alternative which is the cash-collection method. The analysis of my research data with regard to Schreiner’s aspect of cost is presented below starting with the analysis of price costs.

5.5.1 Price costs

The World Bank regularly analyses the trends in the costs of sending remittances across the world using different money transfer methods. The World Bank’s (2021b) Remittances Prices Worldwide Quarterly for the first quarter of the year 2021 ending in March reported that the costs of sending remittances through digital services were lower than those for non-digital services across the world (see Figure 5.3).

Figure 5.3: Comparison of average costs of cash and digital services for sending remittances across world regions

![Figure 5.3: Comparison of average costs of cash and digital services for sending remittances across world regions](image)

Source: Reconstructed by author using data from World Bank (2021b, p.15)

The analysis presented by World Bank (2021b) in Figure 5.3, which separates the costs of sending remittances into the fee charged and the foreign exchange (FX) margin, shows that fees account for the greater proportion of the costs of remitting.
Furthermore, the figure suggests that the total costs of sending remittances through digital services like MIR are lower than those of cash services across the world.

My study did not analyse the exact costs charged by RSPs for sending remittances to Zimbabwe as was done by World Bank (2021b). However, I investigated the issue qualitatively through the semi-structured interviews that I conducted. I found that people who received MIR were subject to more price costs than those who used the cash-collection method. This is because mobile money companies charged additional fees when users withdrew or cashed-out funds from their mobile money wallets and received hard cash from the mobile money agents. There appeared to be a double charge for sending MIR because the sender who was abroad would already have paid a fee for the transaction, but the recipient in Zimbabwe had to pay additional charges to cash-out the remittances from their mobile money wallet. Moreover, mobile money companies also had additional charges for using the service to make payments or purchases. In contrast, people who received remittances through cash-collection did not need to pay any other fees.

Consequently, in terms of price costs, the cash-collection method appeared to be less costly than MIR. The response below from Brian, who had used the MIR and cash-collection methods to send remittances home, showed the interviewees’ concerns about the additional costs of using MIR:

I think cash-collection is cheaper in the sense that it’s a one-way payment. Let’s say for example I paid for the fees, the other end does not pay anything, they just collect the money. When it comes to mobile money I pay here, the money goes into their mobile phone, but when they want to take that money from the mobile phone, they pay again to the network provider. So, I think that is a bit expensive. (Brian, Male, 41-50, Entrepreneur, 2000).

In addition to the cash-out fees charged by mobile money companies, MIR-users were also subject to an additional government tax. In October 2018, the Government of Zimbabwe promulgated Statutory Instrument 205 of 2018 which increased the Intermediated Money Transfer Tax (IMTT) such that US$0.02 would be charged on every dollar transacted for each transaction on which the tax was payable (GoZ, 2018). Before the change, the IMTT was levied at US$0.05 for each transaction that exceeded US$10. The government listed some transactions that would be exempted from the tax and these included payment of remuneration and purchases or sale of
financial securities amongst others. Notable also amongst the exemptions were transactions below US$10 (ibid).

The effect of the IMTT was that where applicable, financial institutions and mobile money companies would collect tax of two percent of the value of transactions on behalf of the government. Analysts commented that when considering that this was a transactional tax, the net impact on the local value chain would be considerably greater than the two percent since it was compounded with each transaction (KPMG, 2018). The government however justified the increase in the IMTT on the basis that the tax would ensure compliance across the transacting public, especially those in the informal sector, whose contribution to the fiscus had been minimal (GoZ, 2019a).

By virtue of its effect on mobile money transactions, the IMTT had a negative effect on MIR too. People who received remittances through MIR would be affected by this tax when they needed to cash-out the remittances or conduct further transactions using mobile money. In contrast, people who received remittances as hard cash through cash-collection or informal methods did not lose any of the money they received to the IMTT. The negative effects of the IMTT were portrayed in the following response from Wiseman who had used the MIR, cash-collection, and bank transfer methods to send remittances home.

... the two percent tax levy on all electronic transfers which has been introduced by the government. So, in essence if you’re going to pay anything above US$10, it means that you are going to pay an extra two percent. This means the disposable income for the person you have sent the money has been reduced by two percent so holding cash at the moment is a major advantage. (Wiseman, Male, 31-40, Postgraduate student, 2017).

Furthermore, the negative effects of the IMTT were also evident in the response below from Faith who commented about the application of the tax to bank transfers. Faith had only used the bank transfer method to send remittances home.

And I’ll give you an example. When I paid school fees this term, I think for the older girl in Form 5, I transferred I think ZWL$300 for extra lessons or something and I was charged ZWL$34 for transferring ZWL$300. So if you look at it, I’m paying that $300 as fees for this young person, which is something that the government should be doing; and on top of that $34 is taken away from me as this tax the government has
come up with which we all don’t understand. Wouldn’t that $34 be helpful to pay for another child in a primary school in the same village?

But I’m helping these young children. But the fees, if you look at $34 honestly it could pay for another child but it is going to the government. Instead, the government is the one that is supposed to send children to school. (Faith, Female, 51-60, Postgraduate student, 2002).

Faith’s response highlights the frustration that some people had about the increase in the IMTT to two percent of the value of transactions. This was a change that negatively affected the MIR service and further reduced the competitiveness of the service against the cash-collection service. Overall, the additional price costs that were incurred by recipients of MIR because of cash-out fees and government tax further show how market factors and government policy had a further negative effect on the worth of MIR in addition to the issues discussed in section 5.3.2 under negative worth. The following section discusses the transaction costs.

5.5.2 Transaction costs

In terms of transaction costs, some of the advantages of using MIR also applied to other methods of sending money online in general. Sending remittances through digital services resulted in a reduction in non-cash costs and indirect cash expenses that were incurred when visiting bricks-and-mortar RSP offices in person to send money. As aforementioned, price costs are direct cash payments, while transaction costs are non-price costs like time (Schreiner, 2002). Regarding non-cash costs, the major element was the amount of time interviewees saved by sending remittances online instead of travelling to bricks-and-mortar RSPs to conduct the transactions. In terms of indirect cash expenses, the money they would have spent travelling to the physical institution to conduct the transaction would be saved, for example, bus fares or fuel costs.

When examining the perspective of the senders of remittances in the UK, the advantages of using MIR closely resembled those of using any other online money transfer method in general. This is because all the formal transfer methods I investigated (MIR, cash-collection, and bank transfers) could be transferred online in the UK. What differed was the delivery option in Zimbabwe that the senders chose, that is, whether the money would be received in mobile money wallets, collected as
cash, or deposited into a bank account. However, when examining the side of the recipients in Zimbabwe, the unique advantages of MIR became more evident.

Mobile money services in Zimbabwe did not require internet access but operated through mobile phone networks’ *Unstructured Supplementary Service Data (USSD)* which is used for Short Message Services (SMS). The advantages of receiving money through MIR could therefore be clearly distinguished from cash-collection. People who received MIR saved on the aforementioned *non-cash costs and indirect cash expenses* that they would have incurred if they had to travel to a bricks-and-mortar RSP to collect the remittances. This advantage became particularly important in the case of recipients who lived in rural areas. These advantages have also been identified in the case of studies that focused on domestic mobile money transfers and not MIR (for example, Porteus, 2006; Morawczynski and Pickens, 2009; Renteria, 2015).

The advantage of being accessible in rural areas is something that made MIR potentially useful to people sending remittances to rural areas. Recipients no longer needed to travel to towns or business centres to collect the remittances that would have been sent as the money was simply credited to their mobile money wallets. Ideally, they would also be able to conduct further transactions through their mobile money wallets. As already discussed, some of the interviewees in my study therefore felt that MIR had made it easier for them to send remittances to rural areas (see section 5.3.1 on *positive worth*). This was confirmed by the response below from Nicholas who had used the MIR, cash-collection, bank transfer, and informal methods to send remittances home.

I think initially I was using Western Union. When I came to this country it was mainly Western Union, Moneygram and bank transfers. But one, they were expensive and; two, in terms of coverage, like I am here in the UK and I want to send money to my parents in rural Rusape, they have to travel about 30km to go into Rusape to collect the money. But now with WorldRemit, I just transfer the money through my phone to their EcoCash and wherever they are they get the money there. It is also done within a short time. So that is convenient. And also like when there is an emergency, they don’t have to wait like for the next day, they just get the money there and then on their mobile. It is that convenience and speed of doing business that I like about it. (Nicholas, Male, 51-60, Student, 2003).
The response from Nicholas underscored the usefulness of MIR when sending remittances to rural areas as I have already discussed. Overall, the contribution of MIR, and digitalisation of remittances in general, in reducing some of the costs incurred when transmitting remittances was significant. For the aspect of cost, I therefore concluded that MIR had resulted in a reduction in some of the costs that were incurred when transmitting remittances, albeit subject to market conditions, macroeconomic factors, and government regulation. This is because the additional price costs that were incurred by MIR users, that is, cash-out fees and government tax, did not arise from the technology itself but from government policy, mobile money companies' business strategies, and other country-specific macroeconomic factors like foreign exchange risk or liquidity risk. Such issues are context-specific and could differ from country to country. The operating environment could thus be more conducive in one country, where MIR could perform very well, while it could be less conducive in a country like Zimbabwe as was evidenced by my study. In contrast, the reductions in transaction costs could be more uniform across different countries.

On the balance, the question arising from my research is whether the total costs (the sum of price costs and transaction costs) of receiving remittances through MIR are lower than those of receiving remittances through other transfer methods. This is a question that my study has not been able to answer comprehensively because it requires an investigation on the receiving side of the remittance process in Zimbabwe which I was not able to do (see Chapter 4, section 4.4 for fieldwork challenges). However, my findings are sufficient to contest the cost comparisons by World Bank (2021b) in Figure 5.3 on the basis that the comparisons do not include cash-out fees that are incurred by recipients of MIR when they withdraw the remittances they would have received. Including cash-out fees could change the results of the comparisons significantly. I hence contest the claims in the literature that sending or receiving remittances through MIR costs less than traditional transfer methods like cash-collection (for example, Mirabaud, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014; World Bank, 2021b).

Consequently, my analysis of the aspect of cost suggests that MIR have the potential to broaden access to and use of formal financial services because of the significant decreases in transaction costs that result from the use of MIR, which
could draw more people to use the service. However, the cost-reducing effects of MIR are subject to market conditions, macroeconomic factors, and government regulation within specific countries which determine the price costs of MIR and hence influence the overall competitiveness of the service. Having noted this, the following section moves on to summarise the findings and discuss the overall conclusions from this chapter.

5.6 Conclusions
The chapter sought to answer research sub-question (a) - *Do MIR have greater outreach amongst senders of remittances when compared to other formal and informal means of sending remittances?* As aforementioned, some of the questions in the online survey I administered were meant to investigate whether the respondents were using MIR to send remittances to recipients of marginalised backgrounds (see Chapter 4, section 4.5). To answer research sub-question (a), I analysed four aspects of outreach under Schreiner’s (2002) framework namely depth, worth, breadth, and cost. My analysis concluded that the opportunities for MIR to serve as an effective tool that could help in improving access to and use of financial services by marginalised groups were significant. This was showcased by the advantages MIR had over cash-based transfer methods which were discussed under positive worth which included better accessibility, increased speed of transactions, better security for users, and greater convenience. Furthermore, using MIR also resulted in reductions in transaction costs that were incurred when visiting bricks-and-mortar RSP offices in person to send or receive remittances.

However, the usefulness of MIR diminished when the contextual factors came into play. Macroeconomic challenges in the remittance-receiving country, Zimbabwe, that negatively affected MIR emerged under the analysis of negative worth and these included foreign exchange risk, liquidity risk, and inflationary pressures. Furthermore, there were additional price costs that were incurred by recipients of MIR because of cash-out fees and government tax which users of cash-based transfer methods did not incur. The result of these negative contextual factors was the limited use of MIR that emerged under breadth, and the limited depth of the service when considering use by women and people in rural areas of Zimbabwe. MIR could hence be more effective in promoting financial inclusion if the macroeconomic and regulatory environment is conducive and allows the service to operate efficiently. Like I
demonstrated with the joinpoint regression analysis of the secondary data from WorldRemit, the contextual factors, particularly liquidity risk, eventually resulted in a decline in the use of MIR in Zimbabwe, the remittance-receiving country.

There are hence some issues that MIR service providers and public policy-makers may need to address if they are to make MIR more effective in promoting financial inclusion. These are notably the drawbacks of cash-out charges and government taxes. Furthermore, there is need to devise means of supporting mobile money agents who operate in rural areas to help them to overcome the liquidity problems.

The chapter makes academic contributions at the conceptual and empirical levels. The conceptual contributions are foremost the adaptation of Schreiner’s (2002) framework for outreach and its novel application outside the field of microfinance to evaluate money transfer methods. The way in which I adapted Schreiner’s framework for use in my study is explained in Chapter 3 (section 3.4.4). The empirical contribution of the chapter was analysing original primary data that shed light on the emerging field of research on how MIR, and mobile money services at large, could improve financial inclusion of marginalised groups, such as rural communities and women. My research investigated the opportunities and challenges that exist for MIR to help in extending access to and use of financial services by rural communities and women.

Having summed up these conclusions, the next Chapter 6 moves on to examine the subject of MIR, transnational family care, and financial inclusion.
Chapter 6: Mobile money-enabled international remittances, Transnational family care, and Financial inclusion

6.0 Introduction

As discussed in the previous chapters, my study applies the broader conceptualisation of financial inclusion that encompasses access to and use of financial services and financial capability (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). Chapter 5 examined the access to and use of financial services component of financial inclusion through the application of Schreiner’s (2002) framework of outreach. Chapter 6 serves as a bridge between Chapter 5 and Chapter 7, whose focus will be on examining the financial capability component of financial inclusion. Chapter 6 will hence span issues that pertain to both the access to and use of financial services and financial capability components of financial inclusion.

Pertaining to financial capability, Chapter 6 provides a background to the work that will be done in Chapter 7 on investigating how remitting affects the financial capabilities of senders and recipients of remittances. This is done by setting the research within the context of transnational family care. The starting point for doing this are the perspectives that argue that money is embedded in and derives its meaning from social relations and cultural values (Zelizer, 1998; Singh, 2008; Singh et al., 2010; Bandelj et al., 2017). Godinho and Russell (2013) build upon these perspectives by arguing that the recognition that money is shaped by cultural factors should also extend to studies that investigate financial capability and should be considered when designing financial capability interventions. The chapter thus addresses part (d) of the study’s research question by analysing the ways in which Zimbabwean social and cultural values influence the sending of MIR.

Regarding examining how MIR affects the access to and use of financial services component of financial inclusion, Chapter 6 will extend the work done on the outreach of MIR in Chapter 5 by investigating the association between the use of MIR and the use of other additional digital financial services (section 6.6). The chapter interrogates some of the assertions in the literature that sending or receiving remittances could serve as an entry point into the formal financial system from which transnational family members could proceed to adopt and use other formal financial
services too (Klapper and Singer, 2014; World Bank, 2014; International Fund for Agricultural Development - IFAD, 2015). I interrogate these assertions by specifically investigating whether the use of MIR is associated with greater use of other additional digital financial services by my study’s migrant respondents.

Overall, the discussion in this chapter span the subjects of MIR, transnational family care, and financial inclusion. I must however emphasise that the subject of transnational family care had not been intended to be major part of my research when it was designed, but became apparent during the data analysis phase where aspects of transnational family care emerged as a theme in the analysis of the semi-structured interview responses. Having understood the importance of examining the socio-cultural context of my study in line with arguments about the socio-cultural embeddedness of money (Zelizer, 1998; Singh, 2008; Singh et al., 2010; Godinho and Russell, 2013, Bandelj et al., 2017), I consequently decided to discuss the issues relating to transnational family care in a separate chapter, that is, Chapter 6.

The chapter begins by discussing the linkages between MIR, financial inclusion, and social relations (section 6.1). The next section then gives an overview of the remittance practices of my respondents and the socio-cultural context the remittances are sent in (section 6.2). The chapter then discusses some experiences of sending remittances through MIR (section 6.3), and extends the discussion to examine possible association between MIR and other dimensions of remittances which are reverse remittances (section 6.4) and intra-diasporic remittances (section 6.5). Following this, the chapter moves to examine the association between the use of MIR and the use of other additional digital financial services (section 6.6), before discussing the major conclusions from the chapter (section 6.7).

6.1 MIR, financial inclusion, and social relations
Personal financial practices of saving, credit, and investment involve money transactions that move through an infrastructure of interpersonal relations that is shaped by different aspects of human relationships which could be intimate, affective, changeable, and idiosyncratic (Burrell, 2018). However, financial inclusion efforts by public policymakers have erroneously treated digital technologies as antithetical to personal and informal financial practices, and presumed that the technologies’ function is to formalise and replace affective sensibilities with
systemisation (ibid). There have hence been calls for research which investigates the manner in which digital financial technologies affect financial practices that are embedded in socio-cultural meanings of money and inter-personal relations among communities linked by family, friendship, or place of residence (Johnson, 2016; Burrell, 2018; Mesfin, 2018).

In this regard, Johnson (2016) argues that although mobile money services could create the technological infrastructure for payments services, neglecting an understanding of the socio-cultural context and social relations within which mobile money operates is likely to make the attainment of financial inclusion more difficult. Mesfin (2018) furthermore posits that there is need to investigate how everyday financial practices, as well as the social relations and cultural values of the unbanked, could be embedded in digital technologies to foster financial inclusion. He argues that despite the existence of numerous studies of the social and cultural meanings of money, there is a dearth of studies on mobile money services that pay heed to the relationship between money and socio-cultural institutions (ibid). This is moreover supported by Johnson and Krijtenburg (2018) who postulate that there is need to investigate the culture component of what they term “culture-finance-technology dynamics” in order to promote financial inclusion of the unbanked (p.572).

Burrell (2018) furthermore argues that whereas it is widely acknowledged that mobile phones play an important role in maintaining social contact among those who are geographically distant through the subtleties of voice and language, this capability is not apart from daily financial practice but is integral to it. Hence, the functions of mobile money cannot be separated from the primarily social functions of the mobile phone which they are part of (Kusimba et al., 2018). Consequently, digital technology is not an external change agent which disrupts existing culture, but is instead something that is shaped through cultural processes (Burrell, 2018).

Based on the evidence gathered from their study in Kenya, Kusimba et al. (2018) argue that although mobile money has been widely promoted by public policymakers and private sector organisations as a means of fostering financial inclusion and providing financial services to the unbanked, a lot of people use mobile money to access their social networks of friends and relatives. They assert that in its primary
use of sending remittances, mobile money is better understood as an adjunct to the mobile phone as a social tool and not as a banking service; hence, mobile money is primarily a social good rather than an economic good (ibid).

In the specific context of their study of MIR sent from Ivory Coast to Burkina Faso, Morvant-Roux and Peixoto-Charles (2020) argue that from the perspective of the social-embeddedness of money, MIR contributes to the strengthening and reshaping of a transnational lifestyle, while the use of MIR is shaped by the transnational living pattern. Hence, MIR should also be seen as a means of sustaining and reinforcing social relationships [for further details about this study, see the discussion about Morvant-Roux et al.’s (2017) paper in Chapter 2, section 2.1].

The discussion in this section has examined the linkages between MIR, social relations, and financial inclusion. The discussion highlighted that lack of understanding of the socio-cultural context and social relations within which mobile money services operate could hinder financial inclusion efforts (Johnson, 2016). There have thus been calls for research that pays heed to the relationship between mobile money and socio-cultural institutions, and investigates how social relations and cultural values of the unbanked could be embedded in digital technologies in order to promote financial inclusion (Johnson, 2016; Burrell, 2018; Mesfin, 2018). It is against this background that the discussion in this chapter will examine the social and cultural values that influence the sending of MIR by the respondents in my study. The following section broadens the discussion to the subject of remittances and care in general, before section 6.3 reverts to examining the experiences of remitting through MIR in particular.

6.2 Remittances as an expression of care

Family remittances are sent within a cultural framework, hence the money sent is subject to interpretation that emphasises the cultural context and meanings of remittances, rather than just economic interpretation that emphasises the value of remittances in financial terms (Singh et al., 2010). The remittances sent are therefore not only measured by market exchange but are interpreted in terms of social norms of filial duty, issues of family care, and belonging (Singh, 2008; see also section 6.1). This section discusses in further detail the notion that remittances are a tangible expression of familial care among family members.
My survey was a key source of data about senders of remittances and allows me to explore the geographically-extensive network of family members involved in the remittance process as well as the monetary value of remittances. I outline this first, before discussing the socio-cultural aspects of remittances.

As aforementioned, my survey gathered 347 responses (refer to Chapter 4, section 4.6.1 for a discussion about the attributes of the survey respondents). 335 (96.54%) of the survey respondents sent monetary remittances abroad to either Zimbabwe or other parts of the Zimbabwean diaspora. Furthermore, 198 (59.10%) of the 335 respondents who remitted sent remittances abroad at least once per month. These results show that remitting was widely practised by the respondents in my study.

The summary statistics for the values of remittances that were sent by the respondents are presented in Table 6.1. The value of remittances the respondents sent annually was derived by multiplying the amount of money the respondents sent in each transaction and the number of times they sent the remittances in a year.

Table 6.1 shows that 25% of the respondents sent £1200 or less annually; 50% of the respondents sent £2400 or less annually; and 75% sent £3600 or less annually.

Table 6.1: Summary of values of remittances sent by survey respondents annually

<table>
<thead>
<tr>
<th>Value of remittances sent annually in GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Mode</td>
</tr>
<tr>
<td>Percentile 25</td>
</tr>
<tr>
<td>Median</td>
</tr>
<tr>
<td>Percentile 75</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

According to the information presented in Table 6.1, the lowest value of remittances that was sent annually was £100.00, and the greatest value sent was £42,000.00. This indicates that there was great variability in the values of remittances sent. The mean and the median of the remittance values sent were £2657.09 and £2400.00 respectively. The value of remittances sent per year was positively skewed with a
skewness value of 7.403. This means that most of the respondents sent lower amounts of money, and less respondents sent higher amounts (see Appendix 6.1).

I conducted correlation analysis to assess the relationship between the frequency of sending remittances annually and the value of remittances sent annually. The correlation coefficients of Kendall’s Tau and Spearman’s Rho were 0.563 and 0.636 respectively. This indicated a moderate positive linear correlation between the variables which implied that respondents who sent remittances more frequently were the ones who were generally sending larger amounts of money. Both correlation coefficients were significant with p-values of 0.003 and 0.002 for Kendall’s Tau and Spearman’s Rho respectively. I conducted non-parametric tests because the variables were not normally distributed.

My research was open to the possibility that remittances may not only be transferred between the UK and Zimbabwe, but could also be transferred from the UK to Zimbabwean migrants living in other countries of the Zimbabwean diaspora. Singh (2008) and Singh et al. (2012) observed that remittances in the Indian diaspora did not only flow to India but were also sent to multiple locations in which the diaspora is based. In the same vein, Singh et al. (2010) argue that intra-diasporic remittances could be partly attributed to cases of multiple migration within transnational families which result in networks of transnational families spreading across various national borders. In my study, 234 (75.73%) of the 309 respondents who completed the question about intra-diasporic remittances (see Appendix 4.1, question 27) indicated that they had family members who lived in other parts of the Zimbabwean diaspora (beyond the UK). This result confirms that Zimbabwe has experienced significant out-migration to different parts of the world like I discussed in Chapter 2 (see section 2.5 and Table 2.1).

My survey also enquired about the other foreign countries where the respondents had family members or siblings and the responses are presented in Appendix 6.2. The countries that had the highest counts were South Africa (n=189), USA (n=78), Australia (n=62), and Botswana (n=47). This distribution to a larger extent supports the distribution I presented in Table 2.1 in Chapter 2 (section 2.5) which highlighted that the top seven countries that Zimbabweans had migrated to worldwide were
South Africa, the UK, USA, Australia, Malawi, Botswana, and Mozambique. South Africa, which shares a border with Zimbabwe, is home to most Zimbabwean international migrants.

My study found that some respondents provided support to relatives and friends in South Africa and other parts of the Zimbabwean diaspora. The support was mainly for subsistence, tuition fees for students at university, and events like funerals and weddings. In addition, some of the respondents would ask their contacts in South Africa to use the money they sent to them to purchase groceries, medication and other goods which they would then send to Zimbabwe.

The major implication of intra-diasporic remittances is that estimates of remittances that focus on measuring money transferred between the country of origin and the foreign country migrants live in could be inaccurate. This is because the estimates could miss remittances that are sent to the home country via other nodes of the diaspora, for example, in this case, remittances that are sent to Zimbabwe via South Africa. The possibility of having these phased remittance flows should therefore be taken into account when estimating total remittance flows.

Reverting to the discussion about the socio-cultural context of my study, Singh et al., (2010) posits that remittances function as a medium of care in cultures where money is often gifted and in cultures where children can give money to their parents as a way of showing filial love. In the case of my study, Zimbabwean culture places a responsibility on adult children to care for their elderly parents as well as other members of their extended families (Kimuna, 2005; Chitiga, 2008). The need to care for elderly parents and other family members has become more evident over the years because of macroeconomic problems in Zimbabwe that have prevailed for a long time and have resulted in increased hardship for the country’s population (see Chapter 2 section 2.5 for more about the macroeconomic problems in Zimbabwe). As early as 1994, Nyanguru et al. (1994) noted that many elderly Zimbabweans were experiencing severe economic hardships because of a decline in the country’s rural economy and shortfalls of the country’s social security system that failed to ensure they received a minimum income.
The responsibility Zimbabwean migrants have to care for their parents and other relatives at home by providing financial support to them is one important aspect of transnational family care that was evident in my study. From the 335 respondents who sent remittances, 288 (85.97%) of them sent remittances to their parents and/or siblings. Only 14 survey respondents indicated that they sent remittances to their spouses, and nine respondents indicated that they sent remittances to their children. The fact that remitting was widely practised by my respondents provides evidence to support the arguments by Zechner (2008) that despite how distance and other barriers separate transnational families after migration, family members often have the desire and obligation to maintain ties with their relatives and continue to care for them. My survey results also appeared to suggest that most of the respondents may have moved their nuclear or conjugal families to the UK since they were rarely the recipients of the remittances that the respondents sent.

The majority (85.07%) of the 335 respondents who sent remittances indicated that the purpose of the monetary remittances they sent abroad was to help with household expenses, for example, groceries, clothing and utility bills (n = 285). 199 respondents (59.40%) reported that the money they sent was meant to cover educational expenses, that is, school fees, uniforms, stationery etc. 196 respondents (58.51%) indicated that the money they sent was meant to help with health expenses, that is, medical treatment and medical insurance. Moreover, 260 of the total survey respondents (74.93%) indicated that they sent in-kind remittances abroad. The in-kind remittances were in the form of clothing and shoes (n=231); Emotional support (n=190); Giving advice on important issues including financial matters (n=143). See Chapter 7, section 7.7 for further discussion about exchanges of financial advice); and Groceries (n=103).

The respondents’ care for their relatives ‘back home’ was also evidenced in the semi-structured interviews I conducted, particularly in cases where respondents were providing for their parents at home through financial support in the form of remittances. Here, the meanings ascribed by interviewees to remittance sending clearly invoke relations and practices of caring about relatives. This is illustrated in the case of one of the interviewees, Tariro, who sent remittances to her parents and
other extended family members in Zimbabwe every month. Tariro expressed her concern about the wellbeing of her parents in her statement below.

... The thing is when you’ve parents back home and you know they don’t work, they don’t have any other source of income; you kind of take the responsibility that you ought to look after them. So, I think, they are part of my monthly expenses, so every month I know so much will need to go; ... So, I probably may have started working harder to ensure that I can continue to achieve the lifestyle that I want them to live back home, that’s my parents. My other siblings manage their own lives, but I have put this onto myself. Yes, there are times where sometimes I’ve to forgo a few things because probably the medical bill is too high back home and I need to cover that. So, there are times where I have to do it that way, but not all the time. (Tariro, Female, 41-50, Care Management, 2002).

The response given by Tariro illustrated how concerned she was about the wellbeing of her parents. As aforementioned, caring for parents is a responsibility that is placed upon adult children by Zimbabwean culture. Researchers who have investigated other migrant communities of African origin have made similar observations about the sense of obligation their respondents had for taking care of not only their parents, but other family members at home in general (for example, Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Baak, 2015 whose studies focused on Cameroon, Ghana, Somalia, South Sudan respectively). In this regard, Wong (2006 p.370) used the Ghanaian proverb ‘if you care for your child until his/her teeth grow, she/he will also care for you until your teeth fall out’ to describe the responsibility Ghanaian migrants and non-migrants had for caring for their parents in Ghana. Furthermore, Carling (2014) notes that the obligation adult children have for caring for their parents does not cease with migration but continues with the money they send to provide for their parents becoming transnationalised and changing to remittances.

The care given by migrants to their extended families ‘back home’ in Zimbabwe through financial support was also illustrated in the case of another interviewee, Nicholas, who sent remittances to Zimbabwe and/or South Africa monthly. The recipients were his extended family, friends and colleagues. Nicholas highlighted the following:

… I think also of the demands in Zimbabwe, we have got extended families, and also I think because of our values; we have got certain values we were born with. I cannot
The literature on the determinants of remittances suggests that there are three motivations for remitting, that is, pure altruism, pure self-interest, and inter-temporal contractual arrangements (Lucas and Stark, 1985). The responses given by Nicholas and Tariro suggested that the remittances they sent were motivated by altruism. Altruistic remittance behaviour involves transfers sent to the migrants' home country to support the recipients without any expectation of reciprocity (Arun and Ulku, 2011). The migrants remit because they care about those left behind (Lucas and Stark, 1985) and they derive utility from their family's utility (Carling, 2008). In various cultures and religions, selfless concern for the welfare of others is paramount (Arun and Ulku, 2011), as reflected in Nicholas’ response.

The response given by Nicholas also showcases the influence that Zimbabwean cultural values and religious beliefs have in transnational family care. In particular, Nicholas’ response reflects the African philosophy of ubuntu, which is manifested in Nicholas’ feelings of sharing in the responsibility for the wellbeing of his extended family. Chitiga (2008, p.11) describes ubuntu/unhu as ‘Zimbabweans’ philosophy of humaneness whose expectation is that people are connected and should treat each other well, and that a community is more functional if all members are doing well’. Some maxims of ubuntuism have been highlighted in the literature and these include the principle that: “if and when one is faced with a decisive choice between wealth and the preservation of the life of another human being, then one should opt for the preservation of life” (Mugumbate and Nyanguru, 2013, p.84 citing Samkange and Samkange, 1980). Some of the words that describe the presence of ubuntu include sympathy, compassion, solidarity, sharing, caring, and collectivity (Mugumbate and Nyanguru, 2013). The ubuntu philosophy was also reflected in the response below from Paul who sent remittances monthly to Zimbabwe and/or South Africa to support his extended family.

... sometimes I have to do away with certain things I need to do because they are part of my family because I won’t enjoy going out or doing anything while fully knowing that they themselves don’t have enough to eat, or they don’t have electricity,
children are not going to school … and it’s one thing that I sometimes look for extra work or do overtime at work. So just to balance my day to day living in the UK and also be left with enough to send home. (Paul, Male, 41-50, Real Estate Management, 2000).

In addition to ubuntu, Paul’s response also portrays aspects of privation or making sacrifices in order to be able to sustain sending remittances. Cases of migrants having to deprive themselves of some needs, or work long hours, or work in demanding low-paying jobs in order to financially support family members at home have also been reported in the literature (Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019). Hammond (2011) reported that several people in the Somali migrant community in Lewiston, USA which she studied had multiple jobs and supported several relatives at home through remittances. In my study, sometimes the pressure to work hard and send remittances also caused health problems for some respondents. This was reflected in the case of Faith who sent remittances to take care of her nieces and nephews in Zimbabwe.

… at one point I had several of my brother’s children going to school, so I had to make sure that they are properly maintained until they finish their university studies; so it put a lot of strain on me and on the things that were happening through that. So, I had three of my brother’s children who were orphaned, and I had to make sure that they went to school and finished their “A” levels, and one or two of them went to college and all that.

That really put a strain on me because when I came into this country, I was a single parent because my husband had died, and I was looking after my own children, and at the same time looking after extended families in Zimbabwe; and working, I literally worked seven days of the week. So, it put a lot of strain on my life and sometimes I always thought that maybe the strain that I went through is the one that affected me to end up with cancer. I don’t know but it was quite a lot of strain. (Faith, Female, 51-60, Student, 2002).

Faith’s response shows how she thought that the prolonged strain of over-working to sustain remitting could have resulted in her developing a chronic illness. In their study of UK-based Ghanaian and Nigerian migrants, Yeates and Owusu-Sekyere (2019) also reported that the pressures of sustaining remitting experienced by migrants sometimes resulted in the migrants suffering from health problems or stress.
that arose from over-working. Moreover, in some instances, my interviewees’ sacrifices to sustain sending remittances may not have resulted in health problems, but could have led to declines in their standard of living. Faith’s conversation continues to this issue:

... But what I could say I have neglected is my standard of living here … Yes, and my children’s standard of living. If you could look at the amount of money that I send; I pay for the fees and all that. I could have taken my children on holiday or done some other things. Or, save it in their accounts for their future, but those things ever happened. (Faith, Female, 51-60, Student, 2002).

The concerns that Faith raises about how sending remittances for prolonged periods of time has negatively affected the standard of living of her family, combined with the other sacrifices that the respondents reported making in order to sustain remitting, raise questions about the celebratory discourse about remittances being an effective source of development finance (Kapur, 2004). Some researchers have already critiqued the notion of remittances as an effective form of development finance because of the difficulties migrants experience to sustain sending remittances (for example, Butsch, 2019; Yeates and Owusu-Sekyere, 2019). The experiences of some of my interviewees corroborate these criticisms, as some of them reported depriving themselves of things they needed and even suffered harm to their health in order to be able to keep sending remittances home.

The remaining part of the discussion in this section will focus more closely on the tensions that may arise within transnational families because of the practice of remitting. Fisher and Tronto (1990) assert that to a certain extent, conflict between caregivers and care-receivers seems unavoidable. This is supported by Singh et al. (2010) who further explain that tensions that are experienced by migrant families are often caused by feelings of imbalances in communication, caring, and money in the transnational family. In their studies Singh (2008) and Singh et al. (2010) identified two cases where the value of remittances was not only based on their amount but was also influenced by the socio-cultural contexts. The first was the migrants’ perception that ‘the dollar received was not valued as much as the dollar sent’ (Singh et al., 2010, p.253). The second was when the value of the remittances was weighed against the value of physical caregiving by non-migrant members of the transnational family that migrants could not routinely give (Singh, 2008).
From the data that were generated from my interviews, I identified the first case highlighted by Singh (2010) of ‘the dollar received not being valued as much as the dollar sent’. One of my interviewees, Nyasha, felt that her relatives whom she sent money to in Zimbabwe did not appreciate the support she gave them. Nyasha sent remittances monthly to Zimbabwe and/or South Africa to her extended family, friends, and community members. The conversation with Nyasha went as follows:

Alois: I’d like to find out more about the manner in which you interact with the relatives that you have in Zimbabwe. With the exception of financial support, are there any other ways in which they offer you support excluding giving you money?
Nyasha: My parents used to be quite supportive emotionally, but they have passed on now. But everybody else, they just don’t care. They only care about themselves, they’re very selfish.
Alois: So, most of the time it’s you sending out?
Nyasha: Yes, yes, because there is this unfounded belief that the streets here are paved with gold and that we have more money than them, you know; and that everything that happens back home, we should be the ones to foot the bill. So, no, I don’t get anything back at all. (Nyasha, Female, 51-60, Entrepreneur, 1987. My emphasis.).

Nyasha’s response signals that she felt the relatives whom she sent remittances to did not appreciate her efforts to support them. The fact that there was no reciprocal behaviour from the relatives she sent money to, and that they did not support her in any way appears to be the reason why Nyasha referred to them as being selfish.

Nyasha continued to express her disappointment over the issue in another response:

… sometimes it can be quite frustrating because they usually have; I can’t remember what my sister calls it, but some kind of amnesia; because when you send money, they don’t acknowledge it straight away, you know, they are not always grateful… (Nyasha).

Nyasha’s sentiments that “there is this unfounded belief that the streets here are paved with gold” resonate well with what Singh (2008) referred to as the money tree syndrome where family members at home feel that it is easy for the migrants to get money abroad. They do not appreciate the difficulties migrants go through, and the
sacrifices they have to make to sustain sending remittances. There are however two sides to this coin. Some researchers have contested the notion that non-migrant transnational family members are unaware of the difficulties migrants experience in foreign countries. Åkesson (2010), for example, argues that non-migrant transnational family members’ perceptions of the conditions migrants live in abroad are changing because of globalisation and advancements in information and communication technology, and they are becoming increasingly aware of challenges migrants experience in the destination countries and are therefore more understanding of them.

The feelings that family members at home do not always have empathy for the migrants were however also shared by other interviewees. In some instances, interviewees highlighted how they would prioritise their own needs in the UK ahead of the needs of family members ‘back home’. Tanaka’s response below illustrates this. Tanaka sent remittances to Zimbabwe monthly to support his extended family, colleagues and community members.

Tanaka: ... But in the old days when you’d get somebody from home calling and saying they’ve a problem and you know you just on impulse send the money; yes, I used to have difficulties; but now I take care of myself first and then take care of them later.
Alois: Are there any experiences you had that led you take that position of first taking care of yourself and then taking care of the people back home later? What led you to that position?
Tanaka: It’s when I went back home and you know, you could see that they have their own lives and they do not put us, people in the diaspora, first. They actually, you know, most of them they do have their own lives inasmuch as, yes they are struggling but they would never put you first because they actually regard us as people who are supposed to provide for them and they don’t know that we also need them to provide for us as well. (Tanaka, Male, 21-30, I.T. Specialist, 2002).

Tanaka’s decision to prioritise the needs of his family in the UK first before helping with the needs of family members at home through remittances appeared to have been caused by events that happened over time. Tanaka explains that in the past he used to rush to assist relatives who requested for remittances but eventually stopped
doing that and chose to prioritise the needs of his family in the UK over sending remittances. Similar sentiments were also made by Rachel who sent remittances monthly to Zimbabwe and/or South Africa to support her extended family.

... I just take this as an analogue. I have to meet the bills or the needs of where I am so that I will be able to meet the needs of others. For example, whenever we fly, we are told that if there is any problem and if at any one point you need oxygen, make sure you put on your own mask before you help your child. So, I think by so doing that has helped me. Yes, at some point I may have some bills falling behind but I would have to find a way of catching up, not to say I will incur much interest here because of sending money home, no. I have done that before and I won’t continue doing it. (Rachel, Female, 41-50, Nurse, 2005).

Like Tanaka, Rachel also appears to have reached the decision to prioritise meeting the needs of her family in the UK ahead of the needs of relatives at home in Zimbabwe over some time. Rachel appeared to have made the decision after she experienced disappointments because of the manner in which her relatives at home had managed some money she had sent to them in the past. Rachel narrated the ordeal as follows:

Rachel: For example, we had sent some vehicle back home. You would expect that whoever would be driving that vehicle has a job; projects that vehicle would be doing be it carrying bricks from farm A to farm B; people will find something to do; but in the long run when those projects were running people were not even open enough to say how much money they were getting from them. Maybe I can say corruption which has hit my country at the moment; it’s not only on the government but even on the grassroots. So, it’s to such an extent that if the vehicle is broken down, people won’t find money to repair it, and you will be told that the parts can only be found in England. So, in the long run getting that part, sending it home and all that; getting the mechanic to fit the part; and many times my husband would be told the part does not fit, and considering how much it had cost, it was so hectic. (My emphasis).

Alois: Was this a pick-up truck like the Nissan Hardbody or was this like the lorry, for example, the T35s?

Rachel: Lorries, pick-ups, commuter omnibuses everything.

Rachel’s explanation showed how she had over time grown disappointed by the manner in which the remittances she sent home were managed. She lamented the
lack of transparency about the income that was earned from the investments she had sponsored. Furthermore, Rachel's response also supports the *money tree syndrome* (Singh, 2008) that the relatives whom she had set up income-generating projects for still felt that she was supposed to maintain the vehicles she had sent to them, and would not use the income earned from the projects to maintain the vehicles themselves. Such negative experiences apparently culminated in the decisions that both Rachel and Tanaka made to prioritise meeting the needs of their families in the UK before sending remittances.

The responses given by Nyasha, Rachel, and Tanaka can furthermore be analysed using the mental accounting framework [see Chapter 3, section 3.6.3 for discussion about mental accounting under Shefrin and Thaler's (1988) Behavioural life-cycle hypothesis]. Some studies have undertaken to establish whether remittance income and income from other sources are fungible, that is, perfect substitutes in the eyes of the remittance-receiving households (Davies et al., 2009; Waidler, 2016; Tilenbaeva, 2022). These studies have argued that remittance-receiving households view remittance income and income from other sources differently, implying that the households’ spending behaviour is associated with the source of income, and hence money is not fungible (ibid). Households do not use remittances in the same way as other equally liquid forms of income but instead regard remittance income as distinct from others and spend it differently (Davies et al., 2009). The studies argue that the cause of this can be explained by Shefrin and Thaler’s (1988) mental accounting framework (Davies et al., 2009; Waidler, 2016; Tilenbaeva, 2022).

The mental accounting framework rejects the common economics assumption that money is fungible, and instead argues that the source of income influences spending decisions, and that people compartmentalise their income into different mental accounts and decide on their consumption within those accounts (Waidler, 2016). Remittances furthermore lend themselves to analysis through the mental accounting framework because remittances are sometimes accompanied by specific conditions regarding the use of the money, for example, the sender may instruct the recipients to use the money to pay school fees for their siblings (Davies et al., 2009).

The responses given by Nyasha, Rachel, and Tanaka, amongst other interviewees, signal that they expect the remittances they send to be spent in a responsible
manner and that the recipients should appreciate the efforts they have made to send the money rather than adopt a *money tree syndrome* attitude (Singh, 2008). This relates well to the mental accounting framework - that remittance income and other incomes are not fungible, hence a dollar of remittance income is not equal to a dollar of any other income (Tilenbaeva, 2022). The results of the survey I administered which I discussed at the beginning of this section show that the remittances the respondents sent were meant to cover household expenses, educational expenses, and health expenses. These uses indicate the responsible manner in which the remittance income is to be spent given the sacrifices that some of the senders have to make to send the money which I also discussed earlier in this section. Where the remittances were spent irresponsibly or wastefully, this resulted in the arguments by Singh (2010) of the migrants’ feelings of the ‘the dollar received not being valued as much as the dollar sent’.

Nonetheless, despite having been sometimes disappointed by the manner in which some of the remittances they sent home were mismanaged, the interviewees generally showed that they were forced to suspend the decisions to meet their needs in the UK first before sending remittances whenever there were serious problems at home, particularly emergencies like death or illness. This was illustrated in the response below that was given by Honest who sent remittances fortnightly to Zimbabwe and/or South Africa to support his extended family, friends, and community members.

> ... There are unpredictable events and situations where you might be forced to respond because they are emergencies. Nobody plans for deaths and serious illness; those things have happened before and I can then have to go outside my norms to say I will only send if I have already sorted my financial issues here. I probably then just have to respond immediately; and try to see what I can do to help out with a funeral or any emergency, hospital admission, or something like that. But it is only in emergency cases like that with things that you can’t plan, I can’t plan, anybody else cannot plan for them. (Honest, Male, 41-50, Psychologist, 1999).

The response given by Honest resembles the attitude that most of the interviewees had, that whenever emergencies like death or illness arose within the transnational family, they would join hands with family members at home and help one another. This was in line with the African philosophy of *ubuntu* that I have already discussed.
The cultural values of *ubuntu* hence emerged stronger than the decisions that some of the interviewees had made to prioritise meeting the needs of their families in the UK before sending remittances. In some cases, the values of *ubuntu* also covered up the disappointments that the interviewees had experienced because of mismanagement of remittances they had sent home, and the interviewees would still send remittances again to help with an unexpected illness or death that could have arisen at home.

To summarise the discussion in this section, my results showed that remitting was widely practised by the respondents in my study. 96.54% of the survey respondents sent remittances abroad to either Zimbabwe or other parts of the Zimbabwean diaspora; and 59.10% of the respondents who remitted sent remittances at least once per month. 85.97% of the respondents who remitted sent remittances to their parents and/or siblings, thus evidencing the cultural responsibility Zimbabwean migrants have to care for their parents and other family members at home.

The discussion also highlighted cases of privation (Yeates and Owusu-Sekyere, 2019) where the interviewees had to deprive themselves of some of their needs, over-work themselves, experience declines in their standards of living, and suffer from health problems in order to sustain sending remittances. Moreover, I noted some tensions that arose within the transnational families because of remittances. One instance related to Singh’s (2010) assertion of challenges of ‘the dollar received not being valued as much as the dollar sent’. Some of my interviewees felt that their relatives whom they sent remittances did not appreciate the support they gave them, and there were no reciprocal acts from the relatives that showed that they also cared about the interviewees.

In some cases, the tensions in the transnational families had resulted in some interviewees resolving to prioritise the needs of their families before sending remittances home. Such decisions were partly attributable to disappointments experienced by some of the interviewees regarding the manner in which some of the remittances they had sent home had been misappropriated. However, despite all the tensions that were experienced in the transnational families because of remittances, the interviewees still laid their disappointments aside and sent remittances home whenever emergencies like illnesses or death occurred at home. Thus, the African
cultural values of *ubuntu* emerged stronger than the tensions that had arisen in the transnational families because of remittances.

The following sections narrow down the discussion to focus on examining the linkages between MIR and transnational family care. The analysis begins with a discussion about the experiences of sending remittances using MIR in section 6.3; and moves on to examine possible association between use of MIR and other dimensions of remittances which are reverse remittances (section 6.4) and intra-diasporic remittances (section 6.5).

### 6.3 Experiences of remitting through MIR

As mentioned earlier under section 6.1, it is important to consider the manner in which the long-studied social and cultural meanings and functions of money affect digital financial technologies (Mesfin, 2018). In this regard, Morvant-Roux and Peixoto-Charles (2020) argue that MIR should not only be seen as a means of transmitting funds to meet immediate material needs, but rather as a means of sustaining and reinforcing social interdependencies and securing long-term memberships in families and communities. They assert that MIR enable migrants to play more active roles in solidarity networks in their home countries by being able to quickly respond to urgent material needs of their family members (ibid).

In the same vein, Kusimba et al. (2018) argue that mobile money strengthens and makes visible the support networks within societies and is a new form of value which can be offered in lieu of one’s physical presence, and which can be transformed into goods, social relationships, or the emotional effect of connecting to loved ones. Hence, as an adjunct to the mobile phone as a social tool, mobile money cannot be separated from the social functions of the mobile phone, and it strengthens intimate relationships created through mobile communication across different cultural settings (ibid).

This section begins the analysis of the linkages between MIR and transnational family care by extending the discussion in the previous section (6.2) about tensions that arose in transnational families because of remittances to focus on tensions surrounding the use of MIR in particular. The interviews I conducted revealed unique experiences some of the interviewees had gone through when they sent remittances
through MIR. One of the interviewees, Rachel, had been talking about her experiences of sending remittances to her parents-in-law when she said the following about using MIR:

Alois: And just to ask as well, have you ever used mobile money transfers to send remittances to your father-in-law?

Rachel: Yes, I have. And many times, my father-in-law would keep the money to himself without telling my mother-in-law that there is money to such an extent that she would end up not knowing. To be quite honest, yes, I would send him but my mother-in-law’s request - she would prefer money to be delivered to them, or somewhere they can go and pick up the money. At least they would know that there is money unlike being told there isn’t money.

Alois: So how are you addressing this problem? Are you using cash-collection addressed to both of them?

Rachel: I think that would be the preferred method, at least my mother-in-law would get to know that there is no money now. Unlike telling her that I have sent money to your husband and the husband will tell her that there is no money in the phone. Or, maybe they would have used the money together but because she hasn’t seen it, it would be difficult to convince her. (Rachel, Female, 41-50, Nurse, 2005).

Rachel’s response highlighted some unique challenges that could arise from receiving remittances through MIR instead of cash-based methods. She explained the challenge of possible concealment of the remittances received by spouses since the money was quietly credited to one spouse’s mobile money wallet without the other spouse noticing the transaction. In addition, Rachel also appeared to highlight that her mother-in-law had challenges with keeping track of expenditures that were paid for using mobile money and possibly found it easier to keep track of hard cash transactions. These were both unique experiences that arose because of receiving remittances through MIR.

Studies by Singh (2009), Kusimba et al. (2018), and Kusimba (2021) have also reported incidents of concealment of monetary remittances within families. From her studies of mobile money in Kenya, Sibel Kusimba has commented on how mobile money transfers could disrupt social relationships through acts where spouses
conceal money from each other and then secretly send it to support their siblings and parents (Kusimba et al., 2018; Kusimba, 2021).

Kusimba et al. (2018) postulated that mobile money allows users to make personal and private decisions about sending or receiving money but also noted how these functions, though valued, could cause conflict in African settings. They reported that their study in western Kenya showed that people understood mobile money for its social effects which could either create or disrupt sociality (ibid). The authors remarked how some of the respondents in their study “had little to say about mobile money as an economic or financial tool”, but instead reproached the service for disrupting relationships through inappropriate connections (ibid, p. 184).

In particular, the respondents in Kusimba et al.’s (2018) study accused mobile money of breaking up marriages because some men used the service to send money to women whom they were having extra-marital affairs with without the knowledge of their wives. Kusimba et al. furthermore argued that the privacy, secrecy, and autonomy of mobile money could be used to strengthen friendship and kinship ties with blood relatives at the expense of spouses and affines. This is because spouses could hide money from each other and secretly send it to their parents or siblings. Furthermore, the study by Kusimba (2021) narrated how some of the couples in her study resorted to sharing the same mobile phone so both husband and wife could monitor the remittances received from their children and thus prevent conflict due to suspicions of concealment. Another study by Supriya Singh of MIR sent from Australia to India also reported the existence of tensions within the transnational families she studied where husbands would secretly send money to their natal families without the knowledge of their wives (Singh, 2009). Singh noted how some of her respondents adopted the MIR service because it was more secretive and enabled them to send remittances to their natal families with less risk of being found out by their spouses (ibid).

Although it could also be possible to conceal money received through cash-based transfer methods, it seems that MIR offers greater opportunities for this as the respondents in my study as well as Singh’s (2009), Kusimba et al.’s (2018), and Kusimba’s (2021) studies highlight. This could be partly because it is much easier to
forward some of the remittances received through MIR to other people using mobile money transfers as opposed to passing on money received as hard cash which can be found out more easily.

Some of the respondents in Morvant-Roux and Peixoto-Charles’ (2020) study however found the privacy and secrecy of MIR useful in some instances. The respondents claimed that MIR enabled them to play more active roles in the lives of their families ‘back home’ and respond in a timely manner to financial requests without involving other people or intermediaries. MIR allowed the migrants to send money to their families without it being known more widely, particularly because sending MIR did not require visiting bricks-and-mortar remittance service providers. Some of the respondents remarked that, “unless you talk, these transfers remain secrets” (ibid, p.11).

The discussion in this section has showcased how MIR can allow concealment of remittances within families and thus potentially give rise to tensions within the families if the concealed transactions are discovered. Furthermore, as an extension of the discussion about remitting, as aforementioned my research was open to the possibility that remittances may not only flow in one direction from the UK to Zimbabwe, but could also flow from Zimbabwe to the UK, as well as from the UK to another foreign countries that Zimbabweans have migrated to. The following sections extend my discussion about remitting to examining the relationship that MIR could have with these additional dimensions of remittances, that is, reverse remittances (section 6.4) and intra-diasporic remittances (section 6.5).

6.4 MIR and reverse remittances

The term reverse remittances refers to remittances that flow to the migrants from their home communities (Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018). Mazzucato (2011) argues that the conceptualisation of remittances as one-way flows obscures the fact that remittances are part of reciprocal social relations and also encompass transfers of goods, money, and services from migrants’ countries of origin to the migrants abroad. This section investigates possible association between use of MIR and reciprocal behaviour by transnational family members at home in the form of in-kind remittances they send to the migrant family members. The investigation is necessitated by some literatures that argue that
remittances are a currency of care (Singh, 2008: Singh et al., 2010). My study narrows down these perspectives about remittances and care to focus on MIR in particular. In this regard, Kusimba (2021, p.110) posits that,

Friendship, support and caring, and the interventions of God are all expressed in money transfer practices. Digital money transfer accompanies phone talk through which people create common lives over time, sharing their troubles and plans. Perhaps this is why it is spoken of not as money but as words of feeling and emotion… Money sending has important meanings and creates bonds of trust around support, help, and gifts.

In the same vein, Kusimba et al. (2018) argue that the new forms of social interaction around mobile money recast long-standing traditions of reciprocity and that sending or receiving mobile money is part of a culture of entrustment whereby people save through others. Through these exchanges, value that is both economic and social is saved through gifts given to other people until it is repaid sometime in the future, usually in a different form (ibid). This argument is supported by Johnson (2016) who attributes the development of the concept of entrustment to Shipton (2007) who examined the ways in which resources like money or livestock were entrusted to others and returned later, thus producing obligations for which there was no strict accounting in terms of the time or form of repayment.

The use of mobile money in this culture of entrustment is diverse and includes medical assistance, funerals, household consumption, and school fees for which mobile money serves as a means of storing value through its entrustment to others on a local, urban-rural, or even transnational scale (Kusimba et al., 2018). Mobile money transfers are thus largely open-ended and though appearing to flow in one direction, in actual fact produce reciprocal flows of support or assistance (Johnson, 2016).

Given these arguments about the uses of mobile money transfers to express care and as part of a culture of entrustment, I sought to examine whether the recipients of MIR in my study would express reciprocal care for the migrant family members through sending them in-kind remittances. My analysis begins with a broad overview of the reverse in-kind remittances that my respondents received.
Nearly four in ten - 38.24% - of my survey respondents indicated that they sometimes received reverse in-kind remittances from either their family members or other network members in Zimbabwe, or other parts of the Zimbabwean diaspora (see Appendix 4.1, question 35). Table 6.2 presents the forms of in-kind remittances the respondents received. Respondents could choose multiple options from a set of responses, so the total count refers to the total number of times respondents highlighted that they received a particular form of in-kind remittances. The table shows that receiving emotional support had the highest count (n=103), followed by receiving advice on important issues (n=54), and finally receiving clothing and shoes (n=20). Receiving advice on important issues also included receiving advice on financial matters which I will explore further in Chapter 7 under the subject of financial capability (see section 7.7).

<table>
<thead>
<tr>
<th>Form of non-monetary support received:</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice on important issues including financial matters</td>
<td>54</td>
<td>29.0%</td>
</tr>
<tr>
<td>Emotional support</td>
<td>103</td>
<td>55.4%</td>
</tr>
<tr>
<td>Clothing and shoes</td>
<td>20</td>
<td>10.8%</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>186</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Source:** Author’s survey (2018)

From Table 6.2, respondents who chose the option “Other” went on to indicate that they received gifts and Zimbabwean food like dried meat and vegetables, Mazoe orange drink, maputi (popcorn) and dovi (peanut butter). In addition, the relatives at home would also care for the migrants’ parents who were still in Zimbabwe, through things like taking them to hospital for treatment when necessary. Furthermore, the respondents’ contacts at home could also do business and non-business errands for the respondents.

Narrowing down to the investigation of whether the use of MIR was associated with receiving reverse in-kind remittances, Table 6.3 shows the crosstabulation between the use of MIR by my survey respondents and receiving reverse in-kind remittances.
Table 6.3: Crosstabulation between use of MIR and receiving reverse in-kind remittances

<table>
<thead>
<tr>
<th>Receives reverse in-kind remittances</th>
<th>Use of MIR</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Does not use MIR</td>
<td>Uses MIR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>51 (37.23%)</td>
<td>17 (44.74%)</td>
<td>68 (38.86%)</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>86 (62.77%)</td>
<td>21 (55.26%)</td>
<td>107 (61.14%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>137 (100.00%)</td>
<td>38 (100.00%)</td>
<td>175 (100.00%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Table 6.3 shows that the proportion of MIR-users who received reverse in-kind remittances (44.74%) was slightly greater than the proportion of respondents who did not use MIR who received reverse in-kind remittances (37.23%). I conducted a Pearson Chi-Square Test using the data in the table to determine whether there was any association between the use of MIR and receiving reverse in-kind remittances. I formulated the hypotheses below for the test.

$H_0$: There is no association between use of MIR & receiving reverse in-kind remittances

$H_1$: There is an association between use of MIR & receiving reverse in-kind remittances

Table 6.4 shows the results of the tests for association.

Table 6.4: Results of test for association between use of MIR and receiving reverse in-kind remittances

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>.706a</td>
<td>1</td>
<td>.401</td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>175</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 14.77.

Source: Author’s survey (2018)

The results of the Pearson Chi-Square Test in Table 6.4 showed that there was no association between use of MIR and receiving reverse in-kind remittances (p-value, 0.401). This implies that MIR-users were neither more nor less likely to receive reverse in-kind remittances than respondents who used the alternative transfer methods. Hence, sending remittances through MIR was no more likely to result in receiving reverse in-kind remittances than the use of the alternative transfer methods I studied.
My investigation about reverse remittances went beyond reverse in-kind remittances to include reverse cash remittances. Existing literature shows that in transnational communities, cash remittances may flow from immigrants’ home countries to the foreign countries they moved to and now live in (Portes, 2006). One of my survey questions investigated whether the respondents received reverse cash remittances (see Appendix 4.1, question 30). 9.15% of the survey respondents indicated that they regularly received money from family members, friends or colleagues in Zimbabwe or other parts of the world. Figure 6.1 shows the countries the survey respondents received reverse cash remittances from. The figure shows that the countries with the highest counts for sending money to the respondents in the UK were Zimbabwe (n=16), South Africa (n=9) and the USA (n=7). Respondents who chose the option “Other” went on to indicate that they received money from Tanzania, Democratic Republic of Congo, and the Netherlands.

In most cases the reverse cash remittances were received from sisters, friends, and brothers. In some cases, respondents like students reported receiving money for their upkeep abroad from their families in Zimbabwe. The number of times the survey respondents received money from abroad ranged from 1 to 24 times annually. On average, the respondents received money from abroad six times throughout the year. I did not conduct tests to ascertain whether receiving reverse cash remittances was associated with use of MIR because some of the interviewees
indicated that the money they received from Zimbabwe was actually their own money which they would be transferring to the UK. The results of the tests would hence be of limited use in explaining whether use of MIR encouraged reciprocal reverse remittances.

Nonetheless, the finding that some of the respondents were transferring money which they had in Zimbabwe for use in the UK corroborates the findings by Palash and Baby-Collin (2018) from their study of Ecuadorian migrants living in Europe. Palash and Baby-Collin observed that the reverse remittances that were received by their migrant respondents from their countries of origin did not only come from the migrants’ relatives, but also came from the migrants’ own resources at home like income from property investments or business enterprises which they had at home (ibid).

To sum up this section, my findings about the existence of reverse remittances have corroborated the emerging literature on this under-researched subject (for example, Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018) by providing additional insights about the reverse in-kind and cash remittances my respondents received. However, I did not find any evidence to support that sending remittances through MIR could be associated with receiving reciprocal in-kind remittances from the recipients of the remittances sent to Zimbabwe. Hence the use of MIR in expressing care for family members at home, or as part of a culture of entrustment, was not associated with reciprocal reverse in-kind remittances. The following section moves on to investigate possible association between MIR and another dimension of remittances which are intra-diasporic remittances.

6.5 MIR and intra-diasporic remittances
As aforementioned, my research was also open to the possibility that remittances may not only be transferred between the UK and Zimbabwe, but could also be transferred from the UK to Zimbabwean migrants who lived in other parts of the Zimbabwean diaspora (see section 6.2). Table 6.5 cross-tabulates the use of MIR by the survey respondents and sending of intra-diasporic remittances.
Table 6.5: Crosstabulation between use of MIR and sending intra-diasporic remittances

<table>
<thead>
<tr>
<th>Sends intra-diasporic remittances</th>
<th>Use of MIR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Does not use MIR</td>
<td>Uses MIR</td>
<td>Total</td>
</tr>
<tr>
<td>Yes</td>
<td>50 (32.26%)</td>
<td>9 (21.43%)</td>
<td>59 (29.95%)</td>
</tr>
<tr>
<td>No</td>
<td>105 (67.74%)</td>
<td>33 (78.57%)</td>
<td>138 (70.05%)</td>
</tr>
<tr>
<td>Total</td>
<td>155 (100.00%)</td>
<td>42 (100.00%)</td>
<td>197 (100.00%)</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Table 6.5 shows that the proportion of MIR-users who sent intra-diasporic remittances (21.43%) was smaller than the proportion of respondents who did not use MIR who sent intra-diasporic remittances (32.26%). I conducted a Pearson Chi-Square Test using the data in the table to determine whether there was any association between the use of MIR and sending intra-diasporic remittances. I formulated the hypotheses below for the test.

$H_0$: There is no association between use of MIR and sending intra – diasporic remittances

$H_1$: There is an association between use of MIR and sending intra – diasporic remittances

Table 6.6 shows the results of the test for association.

Table 6.6: Results of test for association between use of MIR and sending intra-diasporic remittances

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>1.847a</td>
<td>1</td>
<td>.174</td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>197</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.58.

Source: Author’s survey (2018)

The results in Table 6.6 show that the Pearson Chi-Square Test for association between the use of MIR and sending intra-diasporic remittances gave a p-value of 0.174 which implied that there was no association between the two variables. This implies that MIR-users were neither more nor less likely to send intra-diasporic remittances than respondents who used the alternative transfer methods.

The results that there was no association between the use of MIR and sending intra-diasporic remittances are the last results to be discussed in my analysis of MIR and
transnational family care. The analysis spanned the experiences of MIR-users, as well as the relationship between MIR and reverse and intra-diasporic remittances. The following section moves away from the focus on transnational family care to cover a subject that builds upon the discussion about the outreach of MIR in Chapter 5. Like I mentioned in the introduction to this Chapter 6, the chapter serves as a bridge between Chapter 5 and Chapter 7 which will cover the subject of financial capability. Chapter 6 therefore includes issues that are related to both Chapter 5 and Chapter 7. The following section (6.6) analyses whether there is any association between the use of MIR and the use of other additional digital financial services.

6.6 MIR and the use of other digital financial services
This section aims to answer part (b) of the study's research question, that is, Does sending MIR increase the use of other digital financial services by senders of remittances? I will interrogate some of the assertions in the literature that receiving remittances through formal transfer methods can serve as an entry point to the formal financial services sector and present an opportunity for financial service providers to supply other financial products to the recipients of remittances, for example, savings, credit, and insurance products (Klapper and Singer, 2014; World Bank, 2014; IFAD, 2015). Remittances are therefore perceived to be a gateway to financial citizenship (IFAD, 2015), and they provide opportunities for increasing financial inclusion of the recipients of the remittances (Klapper and Singer, 2014).

However, my analysis is limited to the experiences of the migrant respondents in my study only, and does not include experiences of the recipients in Zimbabwe because of legal restrictions to my fieldwork (see Chapter 4, section 4.4). I focused on investigating whether using the MIR service to send remittances could have resulted in greater digital financial inclusion of my respondents. The examination begins with an analysis of the relationship between the use of MIR and use of other digital financial services in section 6.6.1 below.
6.6.1 The association between MIR and the use of other digital financial services

The Alliance for Financial Inclusion (AFI) defines digital financial services as follows:

The broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurance. The digital financial services concept includes mobile financial services.

In this context, the term digital channels refers to the internet, mobile phones, ATMs [automated teller machines], POS [point of sale] terminals, NFC-enabled devices [near-field communications], chips, electronically enabled cards, biometric devices, tablets, phablets and any other digital system. (AFI, 2016, p.3).

My survey investigated the use of four other digital financial services namely credit cards, loans, insurance, and payments, for example, PayPal. An overview of the other services used by the respondents is presented in Figure 6.2. The figure shows the number of respondents who used each of the additional digital financial services in descending order of frequency, that is, payments (73.10% of survey respondents), insurance (66.55%), credit card (57.93%), and loans (35.17%) (NB: the question was answered by 290 respondents).

![Figure 6.2: Digital financial services used by respondents](image)

Source: Author’s survey (2018)

Table 6.7 shows the mean number of additional digital financial services used by the different groups of the respondents based on the transfer methods they used. The

194
Table shows that the mean additional digital financial services used by respondents who used MIR appeared to be higher than the means of all the other money transfer methods. I proceeded to conduct a one-way ANOVA test to assess the significance of the differences.

### Table 6.7: Mean additional digital financial services used by survey respondents based on the transfer methods they used

<table>
<thead>
<tr>
<th>Transfer method used</th>
<th>n</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple methods</td>
<td>159</td>
<td>2.15</td>
</tr>
<tr>
<td>Cash-collection</td>
<td>125</td>
<td>1.69</td>
</tr>
<tr>
<td>MIR</td>
<td>42</td>
<td>2.19</td>
</tr>
<tr>
<td>Informal methods</td>
<td>6</td>
<td>2.17</td>
</tr>
<tr>
<td>Bank transfer</td>
<td>3</td>
<td>1.00</td>
</tr>
<tr>
<td>Does not send remittances</td>
<td>12</td>
<td>1.17</td>
</tr>
<tr>
<td>Total</td>
<td>347</td>
<td>1.95</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Table 6.8 shows the results of the one-way ANOVA test of the mean additional digital financial services used by the respondents based on the transfer methods they used. The results indicate that there were differences in the means (p-value 0.018).

### Table 6.8: Results of one-way ANOVA test for mean differences in the additional digital financial services used by respondents based on transfer methods used

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>27.774</td>
<td>5</td>
<td>5.555</td>
<td>2.777</td>
<td>.018</td>
</tr>
<tr>
<td>Within Groups</td>
<td>682.186</td>
<td>341</td>
<td>2.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>709.960</td>
<td>346</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Since the one-way ANOVA test results indicated that there was a mean difference, I proceeded to run a Least Squares Difference (LSD) Post-Hoc analysis, and the results are shown in Table 6.9. The results show that the mean additional digital financial services used by MIR-users was greater than the mean of respondents who used the cash-collection method (p-value 0.047) and those who did not send remittances (p-value 0.028). Moreover, the mean additional digital financial services used by respondents who used multiple methods was greater than the mean for respondents who used cash-collection (p-value 0.007) and those who did not send remittances (p-value 0.021).
The results of the tests therefore showed that the survey respondents who used MIR only to send remittances generally used more of the other digital financial services (payments, insurance, credit cards, and loans) than respondents who used the cash-collection method only, as well as respondents who did not send remittances. In addition to this quantitative analysis, I also examined the association between the use of MIR and the use of the additional digital financial services qualitatively through the semi-structured interviews I conducted. The results are discussed in the following section.

### 6.6.2 Examining the association between the use of MIR and the use of other digital financial services

The analysis of the data that were generated from the semi-structured interviews I conducted raises questions about the reasons behind the relationship between the use of MIR and the use of the other digital financial services I reported in the previous section. The major question that arose was whether using MIR had led the respondents to adopt the additional digital financial services, or the respondents had adopted MIR because they had pre-existing experience of using technological innovations. Only one interviewee indicated that using MIR had led him to adopt another closely related digital financial service. This was Stanley, who sent remittances to Zimbabwe and South Africa every month to support his extended family. Stanley used the MIR and cash-collection methods to send remittances and his response was as follows:

*Source: Author’s survey (2018)*

<table>
<thead>
<tr>
<th>Multiple Comparisons</th>
<th>Transfer method used by respondents</th>
<th>Transfer method used by respondents</th>
<th>Mean Difference (I-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSD</td>
<td>Cash collection</td>
<td>Multiple methods</td>
<td>.463</td>
<td>.169</td>
<td>.007</td>
<td>.13</td>
<td>.80</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MIR</td>
<td>.040</td>
<td>.245</td>
<td>.872</td>
<td>.52</td>
<td>.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Informal methods</td>
<td>-.016</td>
<td>.588</td>
<td>.979</td>
<td>-.17</td>
<td>1.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank transfer</td>
<td>1.151</td>
<td>.824</td>
<td>.164</td>
<td>.47</td>
<td>2.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does not send remittances</td>
<td>.984</td>
<td>.423</td>
<td>.021</td>
<td>.15</td>
<td>1.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIR</td>
<td>Multiple methods</td>
<td>-.040</td>
<td>.245</td>
<td>.872</td>
<td>.44</td>
<td>.52</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash collection</td>
<td>.502</td>
<td>.252</td>
<td>.047</td>
<td>.01</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Informal methods</td>
<td>.024</td>
<td>.617</td>
<td>.969</td>
<td>.19</td>
<td>1.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank transfer</td>
<td>1.190</td>
<td>.845</td>
<td>.160</td>
<td>.47</td>
<td>2.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does not send remittances</td>
<td>1.024</td>
<td>.463</td>
<td>.028</td>
<td>.11</td>
<td>1.93</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*. The mean difference is significant at the 0.05 level.
Alois: … from the time you started using the mobile money transfer method, would you say there are other financial services that you consequently adopted or started using as a result of the experience you had with the mobile money service?

Stanley: Yes, but not regularly. I think there is airtime transfers. I would buy airtime for someone who is in South Africa or Zimbabwe but not regularly. I think that’s all. (Stanley, Male, 31-40, Social Worker, 2016).

The airtime transfer service that was mentioned by Stanley is a mobile phone voice calls credit transfer service that is indeed related to the MIR service. The service allows migrants to send credit used to make phone calls to mobile phones of recipients in Zimbabwe or other parts of the world. WorldRemit offers the service and there is another start-up known as Senditoo that began by focusing on that particular service only. It is therefore possible that the experience of using MIR could have led some users to adopt the airtime transfer service since the services were closely related. However, Tariro who had started using the Senditoo application after having used the WorldRemit application first did not feel that using the WorldRemit application had led her to adopt Senditoo. Tariro used either the MIR or cash-collection methods to send remittances monthly to her extended family in Zimbabwe.

Alois: … Are there any other similar services you started using because of the experience you had with the WorldRemit app, for example, do you now use PayPal, ApplePay or something?

Tariro: … I’ve also started using an app called Senditoo which is really helpful for my father who is in Gokwe in terms of buying airtime for him. So, what I do is, I just put money in onto the app and it transfers straight to my father and he’ll be able to call and contact me. So, when I miss him I just transfer money; airtime into his phone and he rings. And it actually works out cheaper than me calling him. So, I started using that app as well. To be honest, it works well for me.

[…]

Alois: Would you think in any way the WorldRemit app influenced you to adopt the Senditoo one or was it an independent choice?

Tariro: It was an independent choice. I think for me, I totally understand technology in that very soon I won’t have anything manual. Everything will be computerised. Everything will be technical. So, I listen to what’s happening around me. I’m not afraid to take the risk. And just looking at the convenience of not having to worry that
my father cannot contact anybody because he’s got no airtime. I just thought well, if that works then perfect for me, I’ll give it a try. And I tried it and it worked so I’ve carried on. I think most things you try, sometimes things fail but in this day and age of technology; I’ll tell you what, I’ve done all my Christmas shopping but I haven’t been outside my house. I keep ordering and everything just comes through. That’s how it is. Why would I wanna go outside when it’s freezing cold; to go around and look at things in the shops. They will deliver it to me. I’ll look at it and if I don’t like it, I’ll send it back. If I like it, I keep it. I mean this what it is, that’s the convenience of it. That’s the convenience. So sometimes it’s just a matter of embracing what’s happening around us and see what works for us and that’s what I’ve done. (Tariro, Female, 41-50, Care Management, 2002. My emphasis.)

Tariro’s response suggests that some people may have adopted MIR because of the pre-existing experience they had of using technological innovations. Thus, when such people go on to adopt additional digital financial services, it is not because of the experience they had with MIR but because of the underlying experiences they already had with technological innovations. This stance was also supported by the response given by Ernest who sent remittances monthly to Zimbabwe, South Africa and USA to support his extended family and friends. Ernest used MIR, cash-collection and bank transfer methods to send remittances.

Alois: ... The experience that you had using the WorldRemit service in particular, has it in any way led you to use other financial services too like for instance, for some people maybe WorldRemit was the first online platform or app they used then afterwards they could gain confidence to move onto PayPal or something?

Ernest: Actually, for me it is the opposite. I used facilities like PayPal before I used WorldRemit and I have been comfortable transacting online for a while. So, when mobile money transactions became a reality in Zimbabwe, it wasn’t that difficult for me to understand them.

Alois: Alright. I understand.

Ernest: It was actually frustrating because it was not there. It was very complicated to send money in the past. (Ernest, Male, 41-50, I.T. Specialist, 2002).

Ernest’s response confirms the argument by Tariro that some of the people who used MIR and other digital financial services did so because of their pre-existing experience of using technological innovations. To sum up, although I did find
statistical evidence that respondents who used MIR also used more of the additional digital financial services than others, the responses from the semi-structured interviews seemed to suggest that this was not as a result of using MIR, but rather because of the underlying experiences the respondents already had with technological innovations. It seems it was this pre-existing experience of using technological innovations that led them to use MIR in the first place.

What is however again missing from this discussion are the perspectives of recipients of the remittances in Zimbabwe. The effects of introducing new technology like MIR to people who may not have used digital financial services before, particularly those is rural areas, would probably be more significant in less developed countries that receive remittances in comparison to developed countries like the UK. This is because there is more room for technological advancements to impact more positively on people in less developed countries who will be using the technological innovations for the first time. Access to technology is much broader in developed countries hence the impact of technological innovations like MIR could be limited there. The aspect about the effect of MIR on the recipients of remittances in less developed countries therefore remains an area for future research.

The following section closes the discussion in this chapter by summing up the results that have been presented across the chapter and highlighting the implications of the study.

6.7 Conclusions
The chapter addressed research sub-question (d) - *How do Zimbabwean social and cultural values influence sending of MIR?* The study revealed that the responsibility that adult children have to care for their parents under Zimbabwean culture was one of the major drivers of remittances that were sent to Zimbabwe. Most of the remittances sent home by the survey respondents went to parents and other members of the extended family. The interviewees highlighted that they had to sometimes deprive themselves of things they needed or work extra hours or multiple jobs in order to keep sending remittances. Such sacrifices resulted in some of the interviewees contracting illnesses or experiencing declines in their standard of living. The sacrifices some interviewees made to sustain sending remittances corroborate the criticisms of the celebratory discourse about remittances being an effective
source of development finance (Kapur, 2004) that have emerged in the literature (for example, Butsch, 2019; Yeates and Owusu-Sekyere, 2019).

The fact that the research was open to the possibility of *intra-diasporic* and *reverse remittances* brought some important issues to the limelight. The research revealed that there were significant ties between Zimbabwean migrants living in the UK and those in South Africa. Some cash remittances were channelled from the UK to Zimbabwe via South Africa. These would sometimes be used to buy groceries, medicines, and other commodities which would then be sent to Zimbabwe by the relatives in South Africa. This result implies that estimates of remittances that are based on the amount of money that is directly transferred from the country migrants live in to their country of origin could be inaccurate because they may miss money that is sent via other nodes of the diaspora.

Driven by some arguments in the literature that mobile money transfers are instrumental in expressing and strengthening friendship, support, and caring (Kusimba, 2021), and are part of a *culture of entrustment* whereby people save through others (Kusimba et al., 2018), I investigated whether sending MIR was associated with receiving reciprocal expressions of care from the recipients in the form of reverse in-kind remittances. The analysis conducted through Pearson Chi-Square tests showed that MIR-users were no more likely to receive reverse in-kind remittances than respondents who used the other transfer methods. In addition to this, the results of the tests also showed that there was no association between use of MIR and sending intra-diasporic remittances.

Furthermore, the analysis of the experiences of sending remittances through MIR revealed that some interviewees felt that MIR could increase problems of concealment of money between spouses who received remittances. Moreover, it seemed some spouses had challenges with keeping track of how remittances received in the other spouse’s mobile money wallet were spent. I attributed these challenges to the fact that electronic money could be hidden more easily than hard cash hence it was easier for recipients of MIR to spend or forward the remittances they received to other people without their spouse noticing the transactions.
Overall, the chapter made an empirical contribution by investigating the under-researched subjects of ‘MIR and social relations’ as well as ‘reverse and intra-diasporic remittances’. My investigation of the social relations and cultural values surrounding the use of MIR in transnational families complements the limited literature on the subject (for example, Singh, 2009; Morvant-Roux and Peixoto-Charles, 2020). Furthermore, my results about the reverse remittances that my respondents received from their relatives in Zimbabwe and other nodes of the Zimbabwean diaspora complement the limited literature on this under-researched subject (for example, Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018). My study provides new insights about the reverse in-kind and cash remittances that Zimbabwean migrants in the UK receive from Zimbabwe and other parts of the Zimbabwean diaspora.

Having summed up these conclusions, the next Chapter 7 analyses the effects of remitting on the financial capability component of the conceptualisation of financial inclusion that I applied in my study. There the discussion builds upon the social and cultural aspects surrounding remittances sent home by Zimbabwean migrants and proceeds to investigate how remitting affects the respondents’ financial capabilities.
Chapter 7: Mobile money-enabled international remittances and financial capabilities of senders of remittances

7.0 Introduction
As mentioned in the introductory chapters (Chapter 1 section 1.3 and Chapter 2 section 2.3), my study follows the conceptualisation that financial inclusion is multi-dimensional and encompasses both access to and use of financial services and financial capability (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). Chapter 5 of this thesis focused on investigating the effect of MIR on the access to and use of financial services component of financial inclusion. The analysis in Chapter 6 then spanned both the access to and use of financial services and financial capability components of financial inclusion as the chapter served as a bridge between the two components. Moreover, Chapter 6 set the stage for the financial capability analysis in this chapter by first examining the socio-cultural context in which remittances are sent from the UK to Zimbabwe. Chapter 7 will hence focus on investigating how sending remittances affects the second component of financial inclusion, that is, financial capability. This is done by examining the issues relating to transnational family care which I started discussing in Chapter 6 through a financial inclusion lens that encompasses both components of financial inclusion.

As discussed in Chapter 6, the existing literature shows how migrants are sometimes under pressure to send remittances because of high expectations for remittances by their relatives at home (Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Baak, 2015; Yeates and Owusu-Sekyere, 2019). Such pressure sometimes causes the migrants to have multiple jobs, work long hours, or work in labour-intensive and low-paying jobs in order to sustain sending remittances (Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019). Chapter 7 extends the literature on the sacrifices migrants make to sustain sending remittances and the needs they deprive themselves of in the process (Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019), as well as how migrants borrow money to sustain sending remittances (Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019), to cover the effects of sending remittances on the financial capabilities of the migrants.
The subject of the effect of sending remittances on the financial capabilities of migrants has received limited attention in the literature with the exception of a few studies that have discussed how migrants sometimes have to borrow money or use their savings to send remittances when emergencies arise (for example, Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019). Chapter 7 extends the literature on the subject by applying Kempson et al.’s (2005) model of financial capability to investigate the effects of remitting through mobile money technology on the migrants’ ability to manage money, plan ahead, choose products and stay informed as laid out by Kempson et al.’s model (see Chapter 3, section 3.3.1). As discussed in Chapter 3, Kempson et al.’s model was originally applied to conduct a nationwide survey to establish the state of financial capability in the UK and has since then been applied in national financial capability studies of other countries around the world, for example, Ireland and Canada.

Chapter 7 furthermore contributes to the ongoing debates in the literature about developing conceptualisations of financial capability that are appropriate for contexts that are different from those in high-income countries (Zollman and Collins, 2010; Kempson et al., 2013). The contribution is achieved by analysing the conceptualisations of financial capability that my respondents had and using the primary data that were generated from my research to revise and extend Kempson et al.’s (2005) model that was developed in the UK context. I conducted the investigation with my respondents who had lived in both a low-income country, Zimbabwe, and a high-income country, the UK, and have thus experienced the conditions in both country contexts. Furthermore, the respondents continued to maintain important links with a low-income country, that is, Zimbabwe, and were intimately in contact with people living in the low-income country. The fact that they had experienced conditions in both low-income and high-income country settings yielded valuable insights that were useful in conceptualising financial capability.

The chapter begins with a discussion about the respondents’ self-evaluations of financial capability (section 7.1) before moving to the application of Kempson et al.’s (2005) model in the study (sections 7.2 to 7.6). The chapter then examines the exchanges of financial advice between the migrant respondents and their relatives in Zimbabwe as a means of investigating the transfer of financial capabilities through the advice given (section 7.7). Following this, the chapter moves to a discussion
about my arguments for extending Kempson et al.’s (2005) model based on the data that were generated from my study (section 7.8), before closing with a discussion about the major conclusions from the chapter (section 7.9). Please note that when quotations from my interview data are given in the chapter, the interviewee’s self-evaluation of financial capability (FinCap_SE) is added to their background information outlined in Chapter 4 (section 4.7.3).

7.1 Respondents’ self-evaluations of financial capability

One of the questions in my survey required that the respondents evaluate their own level of financial capability. Some education studies have argued that self-evaluation could be useful in providing information that may not be easy to determine (Ross, 2006). However, there are also drawbacks to using self-evaluations, notably that the respondents could have inflated perceptions of their achievements and may assign themselves higher scores (Ross, 2006; Andrade and Valtcheva, 2009). Nonetheless, I chose to have my respondents evaluate their own levels of financial capability because measuring this would have been more complicated and hence it was easier to solicit self-evaluations based on the aforementioned strength argued by Ross (2006).

The survey questions that collected data about the respondents’ self-evaluations of financial capability were as follows (see Appendix 4.1 for survey questionnaire):

Q39. Financially capable people are able to make informed financial decisions. They are numerate and can budget and manage money effectively. They understand how to manage credit and debt. They are able to assess needs for insurance and protection. They can assess the different risks and returns involved in different saving and investment options. They have an understanding of the wider ethical, social, political and environmental dimensions of finances (Kempson et al., 2005, p.13).

How would you rate your own level of financial capability?

- [ ] Excellent
- [ ] Good
- [ ] Average
- [ ] Poor
- [ ] Terrible

Q40. Please justify the rating level you chose in the previous question i.e., why do you think that rating best reflects your level of financial capability?
Q40 was open-ended and I used the justifications the respondents gave for their self-evaluations of financial capability to examine their conceptualisations of financial capability since the respondents sometimes identified elements that had not been adequately addressed by the conceptualisation of financial capability by Kempson et al. (2005) which I had presented to them (see section 7.8 for the analysis). Furthermore, I used the respondents’ self-evaluations of financial capability when analysing the responses some of them later gave to questions about financial capability in the interviews I conducted, whose results are discussed in this chapter.

The self-evaluations of financial capability that the survey respondents assigned to themselves are presented in Figure 7.1. 299 respondents indicated their self-ratings of financial capability. The rating level *Good* had the highest count of 139 respondents and the level *Terrible* had the lowest score of three respondents.

Figure 7.1 Respondents’ self-evaluations of financial capability arranged in descending order of frequency

![Bar chart showing self-evaluations of financial capability](source: Author’s survey (2018))

The following section 7.2 gives the background to how I investigated the effects of sending remittances on the financial capabilities of my interviewees.

**7.2 The effects of sending remittances on the financial capabilities of the interviewees**

Sections 7.2 to 7.7 examine the effects of sending remittances on the financial capabilities of the interviewees. Section 7.2 starts by explaining how I used the data that were generated from my interviews to analyse the effects of sending remittances on the financial capabilities of the interviewees. Sections 7.3 to 7.6 then discuss the
results of the analysis I conducted. The discussion about the effects of sending remittances on the financial capabilities of the interviewees is presented under the domains of Kempson et al.’s (2005) model of financial capability, that is, the effects of remitting on: managing money (section 7.3), planning ahead (section 7.4), choosing products (section 7.5), and staying informed (section 7.6). Section 7.7 examines the exchanges of financial advice between the migrant respondents and their family members in Zimbabwe as a potential avenue for the transfer of financial capabilities through the advice given.

I will begin by illustrating the procedure I used to conduct the analysis of the responses that were given to financial capability questions by the interviewees using the managing money domain of Kempson et al.’s (2005) model [see Chapter 3 section 3.3.1 for Kempson et al.’s (2005) model]. My analysis of the managing money domain of Kempson et al.’s (2005) model begins with budgeting. According to Kempson et al.’s (2005) model, people who are financially capable would keep track of their finances and plan for predictable future expenses such as infrequent bills (Atkinson et al., 2007). Table 7.1 shows how the interviewees felt about the effect of sending remittances on budgeting.

<table>
<thead>
<tr>
<th>Effect on budgeting:</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative effect</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>No effect</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Missing response</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s semi-structured interviews (2018)

Of the 19 MIR-users who responded to the question about budgeting, 14 felt that sending remittances did not affect budgeting, while five felt that sending had a negative effect on budgeting. The reason why I failed to ask all the 23 interviewees every question that was on the interview guide was mostly because the interview time would be running out. The interviewees were busy people and I had assured them that the interview would not exceed the time limit. Consequently, depending on how the earlier part of the interview had progressed, I at times found myself having to catch up on lost time in the later stage of the interview and therefore being forced to skip some questions.
The results that are presented in Table 7.1 were obtained by conducting comparisons of the responses that were given by the interviewees. The comparisons were conducted using N-Vivo’s matrix coding query function (see Chapter 4, section 4.7.2). In my analysis, I classified interviewees into one of three categories namely negative, positive or no effect based on the responses they gave concerning particular financial capability outcomes. The classification exercise was however not free from tensions because in some instances, interviewees gave combined yes-no answers that overlapped between some of the categories negative, positive or no effect. For example, an interviewee answering a question about whether sending remittances affected their ability to save could say there was largely no effect except in cases where emergencies arose at home. Likewise, an interviewee answering a question about choosing products could indicate that they usually take time to shop for available options before sending remittances except in cases of emergencies where the money was needed urgently by the recipients.

I addressed the aforementioned overlaps by judging which category the overall response was more inclined towards from the categories negative, positive and no effect. I then highlighted in my discussion that there had been exceptions to the usual behaviour of the interviewees, and I included direct quotes from the interviews that showed the overlaps. I did this to show that the interviewees had also highlighted exceptions where they had to deviate from their usual behaviour. This approach permitted better analysis of the interview data based on the number of interviewees who gave negative, positive or no effect responses, rather than merely counting the number of occurrences of negative, positive or no effect responses in the entire data which would have been less useful. The results of the analysis I conducted are presented in sections 7.3 to 7.7.

7.3 Effects of sending remittances on managing money

This section continues with the discussion about the effect of remitting on Kempson et al.’s (2005) domain of managing money which comprises two major components of budgeting and making ends meet (Atkinson et al., 2007). I will examine the effect of remitting on these two components separately starting with budgeting in section 7.3.1 and then making ends meet in section 7.3.2.
7.3.1 Budgeting

As aforementioned, according to Kempson et al.’s (2005) model people who are financially capable should monitor their finances and plan for foreseeable future expenses (Atkinson et al., 2007). Table 7.1 showed how the interviewees felt about the effect of sending remittances on the component of budgeting. 14 MIR-users felt that remitting did not affect budgeting, while five felt that remitting had a negative effect on budgeting. The response below from Wiseman who used MIR illustrates how some of the interviewees felt about the effect of sending remittances on budgeting. Wiseman was a professional gentleman who was in the UK to study for a Master’s degree. He sent remittances monthly to his wife, friends, and other extended family members in Zimbabwe.

Alois: Has the need to send remittances had an effect on your ability to budget expenditures?

Wiseman: Basically no. I think I always try to plan my expenses in time but there are some instances where you can get an emergency call, for example, someone has been sick or there is a payment which really needs to be done or something which really needs to be fixed. There are some of those incidental expenses which just come out of nowhere. With those circumstances, this is where you have a problem in terms of budgeting, but other than that I think it has been generally fine.


The response by Wiseman shows that he felt sending remittances had not affected his ability to budget except for cases where unexpected emergencies had arisen at home which required him to send money home urgently. The response below from Samantha who did not use MIR to the same question about budgeting supports Wiseman’s sentiments. Samantha sent remittances monthly to her extended family and friends in Zimbabwe and/or South Africa. She said,

To be honest, I’d say it has not affected me because personally I have never got people into a system where they should expect a certain amount of money from me at this frequency. So, I just send money when I can. Whether I’m lucky or whatever, I don’t know. So, when I have - I have; when I don’t have - I don’t have; so I’m not under pressure. So, I choose not to put myself under pressure or run two lives, kind of. So, I can’t say it has affected my life here, no. (Samantha, Female, 31-40, Nurse, 2000. FinCap_SE - Good).
Overall, the response by Samantha also showed that sending remittances did not affect her ability to budget although this was because she only sent remittances when she could manage to do so. As already highlighted, the response given by Wiseman brought the issue about the effect of emergencies on budgeting to the limelight. This issue was largely the reason why some interviewees felt sending remittances negatively affected budgeting. The response by Ernest who used MIR to the question about budgeting further illustrates this. Ernest sent remittances monthly to Zimbabwe, South Africa, and USA to support his extended family and friends.

Yes, in a very big way because for example, the kind of support which I offer will include things like school fees, monthly support for upkeep for people to get by, sometimes it might be something to do with medical expenses. So there are standing costs, sometimes which I know every three months I have to provide for this amount. There are others which are adhoc and unplanned. So yes, there is an effect on how I then plan my budget. (Ernest, Male, 41-50, I.T. Specialist, 2002. FinCap_SE - Excellent).

The response by Ernest supports the notion that the major disruptions of the interviewees’ ability to budget were caused by emergency expenditures. The expenditures were unplanned and unforeseeable hence difficult for the interviewees to deal with. Existing literature has also reported how some migrants have found it difficult to cope with unexpected requests for remittances (Nyamnjoh, 2005; Lindley, 2009; Baak, 2015; Ikuomola, 2015). The study by Nyamnjoh (2005) narrated how their migrant respondents’ acquaintances who had remained at home would unsympathetically telephone, beep, or send emails and letters to them to demand delayed remittances. It appears that it is that kind of pressure to send remittances that negatively affected my interviewees ability to budget.

Overall, for the component of budgeting, as reflected in Table 7.1, most of the MIR-users (14) felt that sending remittances had no effect on their budgeting. A minority of the MIR-users (five) however felt that sending remittances negatively affected their budgeting. The interviewees generally felt that dealing with unexpected emergencies back home was a major problem that negatively affected budgeting. The following section examines the effect of remitting on the other component of the domain of managing money which is making ends meet.
7.3.2 Making ends meet

According to Kempson et al.'s (2005) model, people who are financially capable will be making ends meet or, if they earn a lot of money, should not consistently have no money left at the end of the month (Atkinson et al., 2007). My analysis of the component of making ends meet is limited to examining incidents of emergency borrowing of money by my interviewees. This is a consequence of the nature of my study sample which comprises relatively high-income earners (refer to Chapter 4 section 4.6). In their discussion about the component of making ends meet under Kempson et al.’s (2005) domain of managing money, the authors noted how the respondents who had participated in the development of their model had acknowledged that people with high incomes would usually be able to make ends meet without them necessarily having money-management skills (Atkinson et al., 2006). I experienced this complication when I tried to investigate the component of making ends meet in my study because my sample comprised relatively high-income earners. I therefore opted to limit my analysis to examining incidents of unplanned borrowing only as a means of overcoming the drawback. Table 7.2 summarises the use of formal credit to finance remittances by the interviewees.

Table 7.2: Use of formal credit to send remittances by interviewees

<table>
<thead>
<tr>
<th>Use of formal credit to send remittances by respondent</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has used credit to send remittances before</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Has never used credit to send remittances</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Missing response</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Author’s semi-structured interviews (2018)

Table 7.2 shows that only a slight majority (eight) of the MIR-users indicated that they had never borrowed from formal sources in order to send remittances when emergencies like illness or death arose at home, while the minority (seven) indicated that they had used formal credit to finance remittances before. Paul, a MIR-user, who sent remittances monthly to Zimbabwe and/or South Africa to support his extended family narrated some of his experiences:

Yes, there have been instances where I had to use my credit card because there were things I was doing home and also when my dad was sick and needed medication, so I knew that I needed money to send home. So, I substituted some of the things that I was paying for using my direct debit so I had to pay using my credit
card. For example, I usually paid for the car insurance using my direct debit, and then I just had to pay the whole 12 months insurance bill using my credit card and then I had to pay slowly because the money that I was supposed to have paid during that month was the money that I had to send back home. (Paul, Male, 41-50, Real Estate Management, 2000. FinCap_SE - Good).

The subject of using credit to sustain sending remittances has received limited attention in the literature with some of the studies that have discussed the subject only addressing the issue in passing as part of the sacrifices that migrants sometimes make to sustain remittances (for example, Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019), without extensively researching about the subject. My study extends the literature on this subject by directly investigating the use of credit by my interviewees to sustain remitting and furthermore links the issue to the broader subject of the effect of remitting on the financial capabilities of the migrants. Moreover, the issue of using credit to fund remittances also speaks to ongoing debates about financial inclusion as I explain in the next paragraphs.

The use of credit by migrants to sustain remitting raises concerns about over-indebtedness becoming a possible unwanted outcome of the migrants’ use of financial services (see Chapter 3, section 3.2.2 for discussion about over-indebtedness). In this case, while sending remittances may have led some interviewees to use additional financial services, that is credit, this is not at all a good way of increasing access to financial services given that the interviewees were borrowing to cover emergencies like illness or death of relatives which would not generate any financial returns. Whereas banks and other lenders could record increases in business because of the loans that are taken out by migrants who need to borrow money to send home to cover emergencies, the circumstances under which the additional business is acquired are contentious. The issue appears to signal adverse effects of financial inclusion in society that are frequently overlooked in the financial inclusion literatures where greater focus is placed on economic aspects like the figures relating to the increases in the use of financial products rather than the risks associated with debt. Unsurprisingly, past experiences from microfinance have shown that clients could become over-indebted from accessing credit (Schicks, 2014). There is therefore need for public policymakers and financial services providers to pay more attention to the risk of over-indebtedness of clients.
that could arise from financial inclusion efforts. The next section discusses the effects of remitting on Kempson et al.’s (2005) financial capability domain of *planning ahead*.

### 7.4 Effects of sending remittances on planning ahead

My analysis of the domain of *planning ahead* focused on *saving* and *retirement planning*. According to Kempson et al.’s (2005) model, financially-capable people maintain provisions to cover losses of income; can meet major expenses without borrowing; maintain provisions for expected major expenses; and make sufficient provisions for their retirement (Atkinson et al., 2007). Guided by this description, I asked my interviewees questions about the effect of sending remittances on their ability to save and make provisions for retirement. The responses they gave are discussed in the following sections that discuss the components of *saving* (section 7.4.1) and *retirement provision* (section 7.4.2).

#### 7.4.1 Saving

This section examines the effect of remitting on the financial capability component of *saving*. Table 7.3 shows how the interviewees felt about the effect of sending remittances on their ability to save. Nine MIR-users felt that sending remittances negatively affected their ability to save, while 11 felt it had no effect.

<table>
<thead>
<tr>
<th>Effect on saving:</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative effect</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>No effect</td>
<td>11</td>
<td>2</td>
</tr>
</tbody>
</table>

*Source: Author’s semi-structured interviews (2018)*

The responses some of the interviewees gave showed that the savings the interviewees maintained were vulnerable to the needs of family members at home, especially when emergencies arose. The response below from Charles, a MIR-user, illustrates this. Charles sent remittances monthly to his extended family in Zimbabwe and/or South Africa.

Alois: … has the need for you to send money home in any way affected your ability to save money? …

Charles: Yeah, as long as, like I alluded to earlier on, those ones that are budgeted are not a problem. It’s only the emergencies that affect the ability to save. But to be
Charles confirmed the negative effect that unexpected emergencies at home had on saving. Furthermore, sometimes it seemed that the savings accumulated by some interviewees were only amassed by ignoring requests for remittances by family members back home. The response below from Rachel, a MIR-user, illustrates this. Rachel sent remittances every month to Zimbabwe and/or South Africa to support her extended family.

Yes, at one point I have to save for myself. My children are growing up and they will soon be going to university; and I will need to support them at one time or another. So how long will I keep on giving people money without saving. So, I had to make a commitment for saving even for personal, my children or whatever; setting up direct payments then with the surplus that’s when I would think of sending home or asking who is not going to school this year because of money. (Rachel, Female, 41-50, Nurse, 2005. FinCap_SE - Good).

The response from Rachel evidences how the unending need to send remittances resulted in her having to prioritise saving for her family over sending remittances home. Kusimba (2021) refers to some of the acts employed to protect oneself from the excessive demands for remittances as strategic ignorance. She describes strategic ignorance as ‘a way to retreat from the information, resources, and relationships of one’s social ties in order to lessen the obligation to give’ (ibid, p.109). The last part of Rachel’s response signals that she may have resorted to strategic ignorance in order to manage excessive demands for remittances, that is, where Rachel says – “… then with the surplus that’s when I would think of sending home or asking who is not going to school this year because of money”.

The pressing requests for remittances from family members at home also explained why some of the interviewees felt that sending remittances negatively affected their ability to save. This is illustrated in the response below from Paul, a MIR-user. Paul sent remittances monthly to Zimbabwe and/or South Africa to support his extended family.

I think it has definitely affected my ability to save, because to be honest I haven’t been able to save given the fact that I had to send money home because I didn’t see the need for me to have money in a bank account here saying it’s my savings, it’s my
future when there was a need, an important need back home where someone was very much in need of treatment. So, it actually impacted on my savings and on my way of life. But it’s something that had to be done. So definitely, yes it has (Paul, Male, 41-50, Real Estate Management, 2000. FinCap_SE - Good).

Paul’s response showcases how the need to care for relatives at home and assist them in difficult times compromised his ability to save. The case of non-MIR users was largely similar to that of MIR-users. One of the three interviewees who did not use MIR felt that sending remittances negatively affected saving, while two felt it had no effect. The case of Samantha illustrates the feelings of the non-MIR users who felt sending remittances did not affect their ability to save.

Alois: … Are you able to maintain savings here in the UK despite the need to be sending money home?

Samantha: I could say yes when I put my head to it. Like I said for the first one, probably because I don’t have the pressure to send money. I am more like I do what I need to do first and then send the extra if need be. (Samantha, Female, 31-40, Nurse, 2000. FinCap_SE - Good).

Samantha’s response shows that she could only manage to save by prioritising her needs over the needs of relatives at home, and only sending remittances when she was able to do so.

Overall, the interviewees’ responses augment the narrative about the immense pressure that migrants experience because of requests for remittances by family members at home. Although some research has discussed the effect of sending remittances on the accumulation of savings by migrants (Lindley, 2009; Yeates and Owusu-Sekyere, 2019), generally the research in the field is limited. Much more research has been conducted to examine the perspective of the recipients of the remittances and the research has mostly been of a quantitative economics nature (for example, Aga and Martinez Peria, 2014; Anzoategui et al., 2014; Ambrosius, 2015; Ambrosius and Cuecuecha, 2016). My study has therefore shed a bright light on the under-researched perspective of the effect of sending remittances on the accumulation of savings by migrants through showcasing how my respondents’ ability to save was affected by the need to send remittances. The following section
examines the effect of MIR on the *retirement provision* component of Kempson et al.'s (2005) financial capability domain of *planning ahead*.

### 7.4.2 Making provisions for retirement

Retirement planning has become increasingly important for individuals because of the change from employer-sponsored defined benefit pension plans to private defined contribution plans that has happened in many countries (Lusardi, 2019). The change shifts the responsibility for making financial preparations for retirement from the employers to the workers (ibid). The effects of remitting on retirement provision are an important subject that has been relatively neglected in studies that have examined the sacrifices migrants make to maintain sending remittances, and the needs they deprive themselves of to sustain remitting (for example, Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019). Analysing the effects of remitting on the retirement provisions of my interviewees therefore provides new information about a subject that is rarely discussed in the existing literature.

Table 7.4 shows how the interviewees felt about the effect of sending remittances on their ability to make adequate provisions for retirement. Four MIR users felt that sending remittances negatively affected their ability to make adequate provisions for retirement, while eight felt that it did not.

<table>
<thead>
<tr>
<th>Effect on making provisions for retirement:</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative effect</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>No effect</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Missing response</td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>

*Source: Author’s semi-structured interviews (2018)*

The response below from Tariro, a MIR-user, illustrates the views of the interviewees who felt that remitting did not affect their financial preparations for retirement. Tariro sent remittances monthly to her extended family in Zimbabwe.

Alois: … Are you still able to maintain adequate provisions for retirement despite the need to send money home?

Tariro: I contribute to a pension fund, so because I’m contributing to that I’m thinking maybe, maybe I’ll be covered when the time comes. But I also think I might decide to
sell the house and go back home, you know when the time comes. So, I've all those options. I still believe from the assets that I've managed to acquire here, I should be able to live a comfortable life out of this country because this country is quite expensive to live in. (Tariro, Female, 41-50, Care Management, 2002. FinCap_SE - Excellent).

Tariro’s response included the issue of contributing to a pension fund that was arranged by her employer. The issue of contributing to workplace pension funds was frequently mentioned by the other interviewees. Tariro however also highlighted that there were other resources she had also set up for herself in preparation for retirement in addition to what her employer provided. It is common for Zimbabweans to try and make some personal retirement provisions for themselves rather than completely rely on employers or the state to do so because of losses that were experienced by a lot of Zimbabwean pensioners in the past as a result of hyperinflation problems in Zimbabwe (Muronzi, 2019).

Zimbabwe adopted a *multi-currency system* in January 2009 which saw the United States dollar being used to conduct most local transactions (refer to Chapter 2, section 2.6). The adoption of the multi-currency system followed a decade-long economic crisis that had seen the value of the Zimbabwean dollar completely eroded by hyperinflation (Toscano, 2011). The implementation of the multi-currency system implied that pension funds and insurance companies had to convert the values of their policyholders’ pensions from the Zimbabwean dollar to the United States dollar. The conversion process however resulted in a lot of policyholders losing large proportions of their lifetime retirement savings (Mazviona, 2013; Chowa et al., 2014; Mutsawu and Sarawoi, 2016). The government later had to set up a commission of inquiry into the pension conversion process.

The controversy that surrounded the conversion process made a lot of Zimbabweans lose trust in pension funds and the financial services sector in general (Muronzi, 2019). It has therefore become common practice for Zimbabweans to try and make their own provisions for retirement that are independent of what employers and the state provide. The need for these private retirement provisions frequently featured in the interviews I conducted. This also appeared to be the cause of why some of the interviewees felt that sending remittances negatively affected their retirement plans. The response from Paul, a MIR-user, highlighted this: “I don't think I have been able
to make any adequate savings for my retirement. I have a pension that I’m currently paying into and that is my only consolation”. (Paul, Male, 41-50, Real Estate Management, 2000. FinCap_SE - Good).

I also observed that the issue about the effect of sending remittances on retirement provision seemed to be a sensitive issue when it came to interviewees who were in their 50s. These were the oldest people in my sample. I presented the question about retirement provision to two of the three interviewees who were in their 50s who participated in my research. Both interviewees whom I asked the question indicated that sending remittances had negatively affected their retirement plans. The response below from Nyasha, a MIR-user, illustrates this. Nyasha sent remittances monthly to Zimbabwe and/or South Africa to her extended family, friends and community members.

No, no, I am not. I am panicking on that because I am getting to an age whereby I need to be thinking about my own retirement, you know. When I reflect on it, I actually think that some people who are back home are even better off than I am; and yet I’ve been the giver; but when it comes to my retirement, I think that I will get a shock of my life because I will have nothing; and that really worries me. (Nyasha, Female, 51-60, Entrepreneur, 1987. FinCap_SE - Good).

The response from Nyasha signalled that the issue about retirement provision was a sensitive one. Having arrived in the UK in 1987, Nyasha had lived in the UK for much longer than many of the interviewees who arrived in the UK between 2000 and 2004. She had possibly been sending remittances for a longer period than all the other interviewees. The regret Nyasha expressed about having failed to provide for herself adequately because of sending remittances raises concerns that the many years over which she was sending remittances may have hindered her from adequately preparing for her retirement. In addition Faith, who did not use MIR, and was also in her 50s also expressed similar regret about not having managed to make adequate provisions for her retirement because of sending remittances.

Faith: Oh no, no, no. That hasn’t happened at all. That hasn’t happened. I came here in 2002 and thinking that I’m now 53 years old and starting to think that I haven’t had anything that I’ve put aside for retirement at all except the government pension that has been taken out from my salary otherwise I haven’t done that at all.

Alois: This has been a very difficult road isn’t it?
Faith: Yes, if you can imagine that you have spent 16 years in this country, literally sort of working and working and working and trying to meet needs. And then when you let’s say even when those people you’re looking after in Zimbabwe have let’s say gone away, for me now I’ve got these other; when I go to Zimbabwe I often find young people that are orphans that don’t have anybody else to look after them and I’m not the only one I guess, so they are desperate and you’re thinking that at least I have a free meal here but these kids want to go to school… (Faith, Female, 51-60, Student, 2002. FinCap_SE - Excellent).

Consequently, although most interviewees indicated that sending remittances had not compromised their retirement plans, the issues raised by interviewees who indicated that they had been negatively affected raise concerns about whether the life-time of remitting will eventually lead to some migrants regretting having sent remittances as they approach their retirement and realising that they have not made adequate preparations for retirement. The regret the older interviewees express about having failed to adequately provide for their retirement because of sending remittances corroborates the criticisms of the celebratory discourse about remittances being a better source of development finance (Kapur, 2004) that have emerged in the literature (Butsch, 2019; Yeates and Owusu-Sekyere, 2019).

My findings thus extend the existing literature about the sacrifices migrants make to sustain sending remittances, and the needs they deprive themselves and their families of in the process (Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019), to showcase how migrants who would have supported other people through remittances for the major parts of their lifetimes could end up experiencing financial challenges after retiring from employment, because they would not have been able to make adequate financial provisions for their post-retirement lives since they were caught up supporting others through remittances. This issue also signals an area for possible future research to investigate the standards of living of past remittance senders who are now beyond retirement age and assess whether some of them could be living in poverty because they failed to make adequate provisions for retirement during their working lives because of the need to remit.

My analysis of the component of retirement provision furthermore extends to concerns about whether it is possible for migrants to access their UK social security
benefits in their countries of origin without incurring significant financial losses due to factors like taxation and money transfer charges. This aspect is widely referred to as *portability* of the migrants’ social security benefits. Portability is the ability to preserve, maintain, and transfer social security rights vested or on disbursement, independent of nationality and country of residence (Sabates-Wheeler et al., 2011; Holzmann, 2016).

One of the major arguments that has been made in favour of the full portability of social benefits is that of *fairness* (Holzmann, 2016). Where an individual would have contributed to social security programmes and then migrates to another country, denying the individual portability of the acquired rights unjustly enriches the country the individual moved from, while potentially burdening the new host country, both of which are unfair (ibid). Consequently, lack of portability of social rights could discourage return migration because migrants may be reluctant to lose the expected benefits from the social security schemes they contributed to (Sabates-Wheeler et al., 2011).

Bilateral social security agreements (BSSAs) between the countries migrants would have moved from and their host countries are a key mechanism that is used to establish portability of social security rights for migrant workers (Holzmann, 2016). BSSAs involve cooperation between the social security institutions of the migrant-sending and the migrant-receiving countries to jointly determine the benefits for the migrant and in the case of pensions this involves the totalisation of the migrant’s contributions in the different countries (Sabates-Wheeler et al., 2011).

The policy recommendation that arises from my analysis of the component of *retirement provision* under Kempson et al.’s (2005) model is that the UK government and the governments of Zimbabwe and other Sub-Saharan African countries that have sent a lot of migrants to the UK should consider adopting social security agreements to ensure the portability of social security benefits of migrant workers. The social security arrangements need not be limited to pensions only but could also cover health-care benefits. This is particularly important given that my study has provided evidence of the important role that Zimbabwean migrants are playing in helping their relatives in Zimbabwe receive medical care. Including health-care benefits in the bilateral arrangements that the UK may sign with migrant-sending
Sub-Saharan Africa countries will therefore help the migrant workers and their families continue to have access to health care services.

Admittedly, the policy recommendation about the adoption of social security agreements may not be easy to implement in the case of Zimbabwe because of the economic problems in the country, particularly the poor stability of the national currency. However, the plans could start with more economically stable Sub-Saharan Africa countries. According to the UK Government, the only Sub-Saharan Africa country the UK currently has social security agreements with is Mauritius, in addition to various other non-European Union countries worldwide that include Canada, Jamaica, Philippines, and the USA (HM Government, 2020).

To sum up this section, the domain of planning ahead comprised two components of saving and retirement planning. The effect of remitting on saving was mixed. A slight majority of 11 MIR-users felt sending remittances had no effect on saving, while nine felt it had a negative effect. As with budgeting, the problem of having to deal with unexpected emergencies at home was generally cited by the interviewees as a challenge that could compromise saving. Furthermore, the issue of care that was discussed in Chapter 6 arose again with some interviewees who reported negative effects of remitting on saving highlighting how they sometimes had to sacrifice their savings in order to help relatives who were in need.

In the case of retirement provision, eight MIR-users felt that sending remittances had no effect on retirement provision, while four felt it had a negative effect. However, concerns were raised by interviewees who reported negative effects on retirement provisioning, particularly those aged in their 50s, who expressed regret for not having made more financial provisions for retirement during the earlier stages of their lives. The next section examines the effects of remitting on the financial capability domain of choosing products.

7.5 Effects of sending remittances on choosing products

In the official publication of the results of the national financial capability baseline survey that was conducted in the UK aided by Kempson et al.’s (2005) model, Atkinson et al. (2006) highlighted that the domain of choosing products included how people chose and purchased financial products, as well as how they compared the key features of the products including their cost. My analysis of the data that were
generated from my interviews focused on evaluating whether the interviewees’ behaviour was consistent with good financial capability behaviour as outlined by Kempson et al.’s (2005) model. Table 7.5 shows how the interviewees felt about the effect of sending remittances on choosing products.

<table>
<thead>
<tr>
<th>Effect on financial capability domain of choosing products</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative effect on financial capability</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No effect on financial capability</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Positive effect on financial capability</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Missing response</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Author’s semi-structured interviews (2018)

Table 7.5 shows that nine MIR-users indicated that sending remittances had not led them to shop around for the best value financial products as Atkinson et al. (2007) indicates is recommended by Kempson et al.’s (2005) model. I considered having shopped around before purchase, as recommended by Kempson et al., to be good financial capability behaviour. I therefore labelled interviewees who did not shop around before purchase of remittance products and other financial products as having experienced no effect on their financial capabilities; and those who shopped around as having experienced positive effects.

Sometimes the interviewees’ failure to shop around before purchase was due to various barriers. In the case of remittance products these included high costs of switching remittance service providers (RSPs), the urgency of the transactions, busy work schedules, and recipients’ access to collection points. Eight MIR-users indicated that they made efforts to shop and compare the available product options before purchase. Some however highlighted that the practice did not arise from remitting but was something they had always done for any purchases they made. I will continue with the discussion about the barriers that hindered the interviewees from shopping around adequately before purchase under sections 7.5.2 to 7.5.4. The next section will first address a different aspect of choosing products which is evaluating product costs.

### 7.5.1 Understanding price transparency

In line with the description of the domain of choosing products that was given by Atkinson et al. (2006), I also examined whether the interviewees knew how to verify
the true cost of financial products when they were *choosing products*. This issue relates to the interviewees being able to verify the hidden costs in the prices of remittance products and other financial products.

Verifying the true cost of remittance prices is not simple. The difficulties associated with understanding the costs of sending remittances are well-explained by IOM (2017, p.54) who note that:

Remittance prices are difficult to assess and compare due to: fees (often tiered structure); FX margins – i.e. the difference between the interbank foreign exchange rate and the rate charged by a payments service provider, which are often hidden and can be as high as 7.71 per cent in African, Caribbean and Pacific countries – and occasionally withdrawal costs, which can also be hidden, or not clear. A survey of migrants living in the UK in 2015, as part of the World Bank Greenback project, found that when migrants were asked how much they pay for their service, 69 per cent only stated the fee, with no knowledge that there was an FX margin, or possible pick-up fees. This phenomenon most likely contributes to Remittance Service Providers’ (RSPs) ability to keep costs high.

It is because of the difficulties of understanding remittance prices as highlighted by IOM (2017) that I found it appropriate to examine *understanding price transparency* as part of *choosing products*. Table 7.6 summarises my interviewees’ views about the effect of sending remittances on understanding pricing transparency.

**Table 7.6: Interviewees’ understanding of remittance price transparency**

<table>
<thead>
<tr>
<th>Effects on understanding price transparency</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative effect</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No effect</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Positive effect</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Missing response</td>
<td>12</td>
<td>2</td>
</tr>
</tbody>
</table>

*Source: Author’s semi-structured interviews (2018)*

Table 7.6 shows that four MIR-users reported making efforts to verify the true cost of sending remittances while four did not. The following response from Brian, a MIR-user, portrays some of the price transparency concerns in the remittance market.

Brian sent remittances fortnightly to his extended family and friends in Zimbabwe.

Alois: … do you understand the hidden costs that are involved in sending money home; these are issues to do with transparency in pricing like there are some cases
where an organisation could say they are not charging any commission to send money home yet in actual fact the exchange rate they are using will compensate for that and give them the profit they need?

Brian: I have noticed that kind of thing is happening with companies like Mukuru. When you look at Western Union’s rate and then go to Mukuru you’ll find that they are using a lower rate and yes, it is something that I have noted. That is why I don’t use Mukuru very often. I tend to use these other companies. (Brian, Male, 41-50, Entrepreneur, 2000. FinCap_SE - Good).

Brian’s response highlighted that he was aware of some of the marketing gimmicks that were used by RSPs to lure customers. Given the complexity of examining price transparency issues, some interviewees devised simpler means of verifying the prices before sending. This was illustrated in the response below from Paul who had improvised his own means of verifying the remittance costs.

I haven’t managed to check that deeply to be honest. I think it’s a matter of me knowing that at the end of the month there are certain things that are needed at home and I’m looking at my budget to see how much, what’s needed. I only check what the exchange rate between the Sterling and the USD is; if I find that what the money transfer agent is offering is within that range then I don’t scrutinize too much. I trust them to the extent that the rate they are offering me is within the range of the exchange rate. (Paul, Male, 41-50, Real Estate Management, 2000. FinCap_SE - Good).

Overall, as aforementioned the interviewees were divided over the effects of sending remittances on understanding price transparency. As explained by IOM (2017), it is not easy for senders to calculate the true cost of sending remittances. The direct implication of this challenge is that there is greater need for regulators to push RSPs to be more transparent with their prices so that customers can clearly understand the true costs of sending the remittances. Improving the transparency of remittance prices will also support progress towards the achievement of Sustainable Development Goal 10 target 10.c which aims to reduce the transaction costs of migrant remittances to less than three percent by 2030, and eliminate remittance corridors with costs that are higher than five percent (UNDESA, n.d.).

Reverting to the overarching domain of choosing products, my investigation of the domain from Kempson et al.’s (2005) model extended beyond the authors’ model
and I went on examine barriers that hindered my interviewees from behaving in the manner suggested by Kempson et al.’s model. The various barriers that my interviewees identified which could compromise their ability to shop around adequately before purchase are discussed in the following sections. The discussion begins with the high costs of switching between RSPs (section 7.5.2), and then moves to the recipients’ access to collection points (section 7.5.3), and ends with the urgency of the transactions (section 7.5.4).

7.5.2 High costs of switching remittance service providers

Some of the interviewees argued that it was costly to switch to different RSPs. The interviewees gave different reasons to justify their arguments as illustrated in the response below from Ernest, a MIR-user. Ernest sent remittances monthly to Zimbabwe, South Africa and USA to support his extended family and friends.

I think one of the issues is about familiarity with the money transfer method I use. I have used the money transfer I use without exception for about 8 years now. So, you find that because of this, my people whom I send money to would know where to pick up that money. I know what to do; I have got the App, so it is quite easy for me to send the money.

So, you then build this trust and familiarity which then makes it even more convenient either way; for the person who is receiving the money and me who is sending the money such that if you have to send via a different facility or provider, it would then mean having to re-educate the person collecting the money that you will have to go somewhere different and something like that. Those are some of the issues which create that kind of loyalty to a certain provider. (Ernest, Male, 41-50, I.T. Specialist, 2002. FinCap_SE - Excellent).

The response from Ernest illustrates the attachment some interviewees had to certain RSPs. The attachment resulted in high costs of switching to a different RSP which made some interviewees maintain RSPs they were used to. Ernest did not report any positive effects on choosing products from his experience of sending remittances.

Ernest justified why it was at times inconvenient to switch to a different RSP, particularly for the recipients who would have got used to a particular way of receiving remittances. Cabalquinto (2020) refers to the process of guiding recipients to collect the remittances sent as micro-coordination, a term he attributes to Ling and Yttri (2002). The need to guide recipients on how to collect money sent through a different RSP or a different transfer method resulted in some interviewees maintaining the same means of sending money. It appeared as if interviewees who
did not shop around before sending money were less financially capable when considering the domain of choosing products, yet in actual fact there were genuine underlying reasons for their actions relating to micro-coordination costs to senders and their families. The next section discusses another barrier I identified from the study which is the recipients’ access to collection points for remittances.

7.5.3 Recipients’ access to collection points
The recipients’ access to collection points for remittances sent to Zimbabwe also emerged as another barrier for senders in choosing products. The response below from Tanaka, a MIR-user, illustrates the issue. Tanaka sent remittances to Zimbabwe every month to support his extended family, colleagues and community members. He reported positive effects on choosing products from his experience of sending remittances.

Alois: … before you send money home, do you ever compare the available options like first check what it will cost to use Western Union, Mukuru, Moneygram or WorldRemit and then choose a particular method to send home. Do you weigh the options first?

Tanaka: Yes, I do check who of all of them has a better rate or at times they give you different rates. So at times you check the different rates and you also check the charges. I usually would rather go for the cheaper one. Also, rather than the cheaper one at times is also how many; whichever town where the person is in Zimbabwe, do they have Mukuru, do they have Western Union, do they have Moneygram, or WorldRemit. So at times it’s all dependent on the recipient as well inasmuch as it’s also dependent on the charges. Usually you ask the recipient whether they have Moneygram and they could say it’s not available; there is only Western Union. At times also it’s the reputation of the agency as well. So, somebody might say, the Western Union in this town, usually if you go there they always say they don’t have cash so you’d rather not send through them. (Tanaka, Male, 21-30, I.T. Specialist, 2002. FinCap_SE - Good).

As reflected in Tanaka’s response, the absence of some RSPs in some areas limited the options that were available to the senders of the remittances. This constraint limited the interviewees’ choices of RSPs and constricted their ability to shop around as required by the financial capability domain of choosing products. The interviewees had to maintain sending remittances through RSPs that were accessible to the recipients and they had limited freedom to use different RSPs. Another barrier which is closely related to this one is the urgency of the remittance transactions which is discussed in the following section.
7.5.4 Urgency of the transactions

In some cases, the urgency with which the money was needed in Zimbabwe also affected choosing products. The response below from Honest, a MIR-user, illustrated the issue. Honest sent remittances fortnightly to Zimbabwe and/or South Africa to support his extended family, friends, and community members. He reported positive effects on choosing products from his experience of sending remittances. Honest tried to follow good practices for choosing products but he was sometimes constrained by the availability of time. At times the money would be needed urgently at home and he had to send it quickly so he would have no time to compare options before purchase.

… That’s why sometimes because we tend to sort of at times develop a relationship with an agent; like a lot of the times I send money with WorldRemit or Western Union because previously they appeared to be more reliable and to have better costs. But these charges probably have not stayed the same which means at times if you really don’t have a lot of time because of that sort of loyalty that you have developed with one sender or another, you just send because you know they are going to get the money anyway. So, but then that comes at a cost because we don’t always scrutinize even though you want to look at rates and compare and contrast, you only do that when you have time. But there are times when, particularly in emergencies you don’t really do that, you just say I always send money with so and so, let me do that right now and you just get on with it. (Honest, Male, 41-50, Psychologist, 1999. FinCap_SE - Excellent).

Honest’s response showed the effect that the pressure to send money for urgent purposes had on choosing products. At times the remittances had to be used for urgent needs and the money had to be sent quickly. This compromised the interviewees’ ability to evaluate available transfer options before sending remittances.

Overall, pertaining to the three barriers that I have discussed, the field of Behavioural economics provides some insights that are relevant to the discussion. Behavioural economics identifies some systematic biases that influence individual financial decisions and could hence affect financial capability (see Chapter 3, section 3.5). These include cognitive biases like procrastination and status quo bias which some studies have argued could influence the domain of choosing products (de Meza et al., 2008). De Meza et al. argue that people could procrastinate when they have to make difficult decisions, and this could affect their capability to shop around. Furthermore, status quo bias, that is people’s tendency to maintain their previous
choices, could also limit the capability to shop around (ibid). My study has identified some underlying constraints that could give rise to status quo bias in the context of remittance services, and these are high costs of switching between RSPs, the recipients’ access to collection points, and the urgency of the transactions. These constraints help in understanding why some people could prefer to maintain their previous choices of financial products even when such choices appear sub-optimal.

Reverting to Table 7.5, from the eight MIR-users whose responses showed positive effects on the financial capability domain of choosing products, some clearly felt that the experience of sending remittances had directly influenced the manner in which they chose other financial products. Martin, a MIR-user, reported positive effects on choosing products from his experience of sending remittances. Martin sent remittances monthly to support his extended family and friends in Zimbabwe and/or South Africa.

Alois: … the experiences that you have had with sending money to Zimbabwe, would you say they have in any way affected the manner in which you choose other financial products and services? For example, are there any lessons you have learnt from sending money that you are able to apply, say when you are choosing a bank account or insurance or other financial services?

Martin: Yes, I think it has affected me in a positive way because when you’re looking at the rates or efficiency; suppose I’d be choosing a loan from another bank or a credit card, obviously I’d be looking at the rates, APRs [annual percentage rates] and the like; and if I want to set up a savings account I’ve got to look at the interest that they’re giving me and the charges thereof of the bank. So I think it has been an eye-opener in the sense that I’ve got to try and maximise my proceeds, my benefits for it to become less costly for me to transact any financial activities; so I think it has positively affected me. (Martin, Male, 41-50, Self-employed, 2007. FinCap_SE - Average).

Martin clearly linked his experience of sending remittances to good financial capability practices of shopping around and comparing product costs. However, another MIR-user, Anesu, did not support that there was a connection between sending remittances and her behaviour when choosing other financial products. Anesu reported positive effects on choosing products but did not feel the effects arose from her experience of sending remittances. Anesu sent remittances monthly to her extended family in Zimbabwe and/or South Africa.

Alois: ... I’d like to find out, before you choose a particular method to send money home, do you ever shop around for the best deal, that is, do you check what other service providers have?
Anesu: Absolutely. I do that all the time.

Alois: That is fine. Then, like you said with the previous questions, did you develop this habit of shopping around for the best financial deals from sending remittances or is it a practice you have always had?

Anesu: It’s a practice I have with everything, whatever purchase, whatever, I always want to believe there is a better deal elsewhere. And I shop around until I find it; invariably I usually find it. So that is just me, that's how I do my purchases and everything. I always find things, there is always a comparable competitive and maybe better pricing elsewhere. (Anesu, Female, 41-50, Consultant, 2009. FinCap_SE - Excellent).

Although Anesu would shop around before purchasing financial products, she did not attribute this to her experience of sending remittances. Rather it was a practice she always had with all purchases she made.

To sum up section 7.5, the dimension of choosing products was different from the earlier domains of managing money and planning ahead because interviewees were able to identify positive benefits of sending remittances for this domain. My investigation of the domain of choosing products focused on shopping around for remittance products and other financial products before purchase, and determining the true costs of the products as suggested by Kempson et al.’s (2005) model. MIR-users were divided over the effect of sending remittances on choosing products: eight felt there was a positive effect, while nine felt there was no effect.

The interviewees also identified some barriers that hindered them from being able to shop around before purchase and these were: high costs of switching to different RSPs, the recipients’ access to remittance collection points, and the urgency of the transactions. The existence of these barriers signalled that it was important to consider one’s surrounding circumstances when evaluating financial capability because merely judging financial capability by one’s behaviour could be misleading since at times people have genuine reasons for acting in certain ways as evidenced by the aforementioned barriers to choosing products. The next section examines the effect of remitting on the financial capability domain of staying informed.

7.6 Effects of sending remittances on staying informed

According to Kempson et al.’s (2005) domain of staying informed, people who are financially capable keep abreast of relevant financial issues, understand the financial products they have, and are able to resolve problems or complaints. My analysis of the domain of staying informed focused on keeping abreast with financial matters. I
sought to understand whether the interviewees kept themselves up-to-date on financial issues that were relevant to them. Table 7.7 summarises the responses that were given to the interview question about *staying informed*.

Table 7.7: Effect of sending remittances on following financial issues

<table>
<thead>
<tr>
<th>Effect on keeping abreast with financial issues</th>
<th>Number of respondents who use MIR</th>
<th>Number of respondents who do not use MIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative effect</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No effect</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Positive effect</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Missing response</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Author’s semi-structured interviews (2018)

Table 7.7 shows that 13 MIR-users indicated that they tried to keep abreast with financial issues that affected remittances, particularly foreign exchange rate fluctuations. Two MIR-users however did not follow financial matters closely. The following response from Honest, a MIR-user, illustrates the perspectives of interviewees who tried to keep abreast with financial issues.

Alois: … has sending remittances influenced the manner in which you stay informed about issues that affect your finances, for example, has sending remittances made you watch financial markets more closely, like foreign exchange rates so you can always time your transactions carefully?

Honest: Oh yes, definitely. Probably you become savvier of foreign exchange markets and watching and following foreign exchange rate trends because we are always going to be sending money at some point. So you kind of keep yourself updated. These are things that people talk about almost on a daily basis on a number of WhatsApp platforms that we have almost all over the world – what’s the rate, who is sending money, where, what other products are available here and in Zimbabwe - financial products whether through the banks, microfinance, transfer agents etc. So it does make me aware or finance savvy even though I am not an economist. (Honest, Male, 41-50, Psychologist, 1999. FinCap_SE - Excellent).

Honest highlighted how the practice of remitting had led him to monitor changes in foreign exchange rates. Moreover, he also brought centre stage an important issue about the role that social digital communication platforms like WhatsApp play in disseminating financial information such as foreign exchange rates. This was particularly noteworthy in a country like Zimbabwe where parallel foreign exchange rates were prevalent because of a thriving shadow market. Some international
community groups had been created on WhatsApp to provide much-needed information about parallel foreign exchange rates to Zimbabwean migrants across the world. The government however later cracked down on these WhatsApp groups in 2020 and accused them of fuelling the rapid escalation of parallel foreign exchange rates (GoZ, 2020).

To sum up the section, my analysis of the domain of *staying informed* focused on whether the interviewees kept abreast with financial issues. A majority of 13 MIR-users indicated that they followed financial issues closely because they had to send remittances. Only two MIR-users did not follow financial issues closely. This suggests that the need to send remittances had apparently encouraged the interviewees to follow financial matters more closely – especially foreign exchange rates. The following section moves on to examine the exchange of financial advice between the migrant respondents and their relatives in Zimbabwe whom they sent remittances to in a bid to analyse the transfer of financial capabilities through the process.

### 7.7 Exchanges of financial advice between respondents and relatives at home

In this section I will examine the effects of exchanges of financial advice between the migrant respondents and their relatives at home. The objective of my examination of the exchanges of financial advice between the migrant respondents and their relatives in Zimbabwe was to investigate whether the exchanges of advice could be channels through which financial capabilities were transferred from the migrants to their families at home.

Some of the survey respondents (143 respondents) indicated that they advised their relatives at home on important issues which included financial matters. Furthermore, 54 of the survey respondents indicated that they received advice from relatives at home on important issues including financial matters (see Appendix 4.1, questions 24 and 36 respectively). The survey results showed that there was a two-way exchange of financial advice between the respondents in the UK and the family members at home. I investigated the exchanges of financial advice further through the semi-structured interviews and the results are discussed in the following paragraphs.
The response below from Anesu, a MIR-user, illustrates the nature of the advice the respondents exchanged with their relatives at home.

Alois: ...are there any forms of support, not necessarily financial, that they [relatives in Zimbabwe] give you while you’re here abroad?

Anesu: Yes, like moral support, advice, career advice for the young people. Yes. Social issues, problems, challenges, yes, I am in touch with that as well.

Alois: ... Do they ever advise you on financial issues too?

Anesu: No, they don’t. They think I know it all because I’m good at it. So no, they don’t really. Of course, they will like tell me if there is an opportunity that I could be interested in like there is property being sold or something like that; they do definitely. That kind of information.

Alois: Alright. And the moral support etc that you mentioned, how valuable do you find this?

Anesu: I think it is very valuable in the sense that distance separates [us] and the context of life becomes different and obviously there are things that we being this side of the world have learnt some stuff and one would also like to transfer that knowledge and understanding; whether it’s things to do with living, things to do with coping and whatever challenges you would want to assimilate that and sort of share the bit to the level that it can be understood and [be] useful to people back home. So, I find it very, we have thanks to WhatsApp these platforms where as a family we confer and we actually have discussions; some of them very useful, some of them silly. But yes, it is an important part of family unity; it’s a day-to-day kind of thing where you share, communicate. Yes, it is very important. (Anesu, Female, 41-50, Consultant, 2009. FinCap_SE - Excellent).

As with Anesu’s case, the interviewees generally agreed that in most cases they were the ones who offered financial advice to relatives back at home. However, they also received advice from relatives in Zimbabwe when they needed to invest ‘back home’. Their relatives in Zimbabwe understood the economic conditions in Zimbabwe better and the interviewees benefited from their advice when they needed to make investments at home. The response below from Nicholas, a MIR-user, sheds more light on the advice that the interviewees could receive from their relatives at home. Nicholas sent remittances monthly to Zimbabwe and/or South Africa.
Alois: … Do they [relatives at home] ever give you advice on financial issues, financial matters?

Nicholas: Basically, what they do, this is from my family’s perspective: “If you need to make investments here [in Zimbabwe], then maybe there is this that is going on, are you interested? There is a project, there is land, are you still interested?” They keep you abreast. “There is an opportunity, are you interested?” And also, like they advise you. Maybe I could have heard about a project that is going on there, but then they could tell me, “I think with the Zimbabwe situation you are better off doing this or that way”. You know like, it is advice that you are not paying for.

Alois: So, it is mostly advice about the conditions in Zimbabwe regarding investments?

Nicholas: Yes, you know like sometimes people will think like I have been here for many years and want to go back, so they will advise you, “Why don’t you like, as the situation here is tough”. That gives you like information on the ground, what is going on and they advise you. “Alright you want to come back, you need to do A, B, C, D”.


The findings of my study therefore seem to suggest that rather than there being a unidirectional channel through which financial capabilities are transferred from migrants to their relatives at home through financial advice, the process is actually reciprocal with financial capabilities also being transferred from the family members who remained at home to the migrants abroad. This argument supports the notion of reverse remittances that I discussed in Chapter 6 (section 6.4). Both the migrants and their relatives at home therefore stand to benefit from the transfers of financial capabilities through mutual exchanges of financial advice. In the following section, the discussion shifts and reverts to the subject about the conceptualisation of financial capability that I left off in section 7.1.

7.8 Revision of Kempson et al.’s (2005) model of financial capability

This section gives the background to the arguments I make for the revision of Kempson et al.’s (2005) model of financial capability which is summarised in Figure 7.2. As part of my investigation, I took the criticisms of first-world bias in the literature on the conceptualisation of financial capability into account (Zollman and Collins, 2010; Kempson et al., 2013 - see Chapter 2 section 2.3.1), and investigated whether the conceptualisations of financial capability that my respondents had could be
different from the model that was developed by Kempson et al. (2005) that I applied in my study.

**Figure 7.2: The four domains of financial capability by Kempson et al. (2005)**

<table>
<thead>
<tr>
<th>The four domains of financial capability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managing money</strong></td>
</tr>
<tr>
<td>People who are financially capable will:</td>
</tr>
<tr>
<td>• Be making ends meet or, if they had a high income, not consistently have nothing left over at the end of the month.</td>
</tr>
<tr>
<td>• Keep track of their finances.</td>
</tr>
<tr>
<td>• Plan for predictable future expenses such as infrequent bills.</td>
</tr>
<tr>
<td><strong>Planning ahead</strong></td>
</tr>
<tr>
<td>People who are financially capable will:</td>
</tr>
<tr>
<td>• Have some provision to cover a loss of income.</td>
</tr>
<tr>
<td>• Be able to meet a major expense without borrowing.</td>
</tr>
<tr>
<td>• Have made provision for anticipated major expenses.</td>
</tr>
<tr>
<td>• Be making adequate provision for their retirement.</td>
</tr>
<tr>
<td><strong>Choosing products</strong></td>
</tr>
<tr>
<td>People who are financially capable will:</td>
</tr>
<tr>
<td>• Shop around to get the best value financial products.</td>
</tr>
<tr>
<td>• Take steps to ensure they get the products that were most suitable for them.</td>
</tr>
<tr>
<td>• Make sure they know what is in the ‘small print’.</td>
</tr>
<tr>
<td><strong>Staying informed</strong></td>
</tr>
<tr>
<td>People who are financially capable will:</td>
</tr>
<tr>
<td>• Keep abreast of things likely to impact on their finances.</td>
</tr>
<tr>
<td>• Know key features of the products they hold.</td>
</tr>
<tr>
<td>• Be able and willing to deal with problems or complaints should they arise.</td>
</tr>
</tbody>
</table>

(Source: Atkinson et al., 2007, p.31)

As discussed earlier, the survey I administered included questions that were structured using Kempson et al.’s (2005) conceptualisation of financial inclusion (see section 7.1). The last part of the question about financial capability was open-ended and was intended to gather responses that reflected the respondents’ conceptualisations of financial capability (see Appendix 4.1, question 40). I grouped the responses given to the question into the categories that are presented in Table 7.8. The table shows that despite the conceptualisation of financial capability by Kempson et al. (2005) that I had first presented to the survey respondents, the
respondents went on to include some elements of financial capability that were not sufficiently covered under Kempson et al.’s (2005) conceptualisation. The elements of financial capability that were identified by my respondents are listed in Table 7.8 in decreasing order of frequency.

Table 7.8: Survey respondents’ conceptualisations of financial capability

<table>
<thead>
<tr>
<th>Dimension of financial capability identified by respondents</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial literacy; Educational qualifications; Work experience</td>
<td>61</td>
</tr>
<tr>
<td>Budgeting; Money management</td>
<td>44</td>
</tr>
<tr>
<td>Living within means; Making ends meet</td>
<td>38</td>
</tr>
<tr>
<td>Meeting financial obligations; Good credit rating</td>
<td>34</td>
</tr>
<tr>
<td>Financial decision-making</td>
<td>26</td>
</tr>
<tr>
<td>Investment management</td>
<td>21</td>
</tr>
<tr>
<td>Saving</td>
<td>16</td>
</tr>
<tr>
<td>Honest opinion</td>
<td>14</td>
</tr>
<tr>
<td>Personal circumstances</td>
<td>10</td>
</tr>
<tr>
<td>Getting information</td>
<td>4</td>
</tr>
<tr>
<td>Use of financial products or services</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

Table 7.9 goes on to present a comparison of the components of financial capability that were identified by my respondents to Kempson et al.’s (2005) domains of financial capability. The table confirms that although some of the components that were identified by my respondents were covered under Kempson et al.’s model, some domains were not sufficiently covered. The domains that were not sufficiently covered by Kempson et al.’s (2005) model are as follows:

— Financial literacy; Educational qualifications; Work experience (Count – 61)
— Financial decision-making (Count – 26)
— Investment management (Count – 21)
— Personal circumstances (Count – 10)

The fact that some of the domains of financial capability that were identified by my respondents were not sufficiently covered by Kempson et al.’s (2005) model reflects the ongoing debates in the literature about developing conceptualisations of financial capability that are appropriate for contexts that are different from those in high-income countries, for example, LMIC contexts (refer to Chapter 2, section 2.3.1).
Table 7.9: Comparison of survey respondents’ conceptualisations of financial capability to Kempson et al.’s (2005) model

<table>
<thead>
<tr>
<th>Component identified by respondents</th>
<th>Corresponding domain from Kempson et al.’s (2005) model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial literacy; Educational qualifications; Work experience</td>
<td>---</td>
</tr>
<tr>
<td>Budgeting; Money management</td>
<td>Managing money</td>
</tr>
<tr>
<td>Living within means; Making ends meet</td>
<td>Managing money</td>
</tr>
<tr>
<td>Meeting financial obligations; Good credit rating</td>
<td>Planning ahead</td>
</tr>
<tr>
<td>Financial decision-making</td>
<td>---</td>
</tr>
<tr>
<td>Investment management</td>
<td>---</td>
</tr>
<tr>
<td>Saving</td>
<td>Planning ahead</td>
</tr>
<tr>
<td>Personal circumstances</td>
<td>---</td>
</tr>
<tr>
<td>Getting information</td>
<td>Staying informed</td>
</tr>
<tr>
<td>Use of financial products or services</td>
<td>Choosing products</td>
</tr>
</tbody>
</table>

**Source:** Author’s survey (2018)

My study contributed to the ongoing debates by evaluating the scope of Kempson et al.’s (2005) model using the data that were generated from my research. It should however be noted that the model developed by Kempson et al. (2005) has been endorsed by various other countries around the world and has been applied when conducting national financial capability studies in the various countries, for example, Ireland (see O’Donnell and Keeney, 2009) and Canada (see Arrowsmith and Pignal, 2010). The USA’s Financial Industry Regulatory Authority (FINRA) Foundation made some changes to the model developed by Kempson et al. (2005) before applying the modified model when conducting the USA’s National Financial Capability Study (US-NFCS) which began in 2009.

It is furthermore important to highlight how Kempson et al. (2005) developed their conceptualisation of financial capability. In conducting their investigation, Kempson et al. first developed a pilot conceptual model of financial capability that reflected their expert understanding of the subject. They then tested their pilot conceptual model in various focus group discussions (FGDs) that they conducted as a means of exploring the public’s perceptions of financial capability. The pilot conceptual model that Kempson et al. tested in their FGDs is presented in Figure 7.3.

Kempson et al. (2005) however reported that the FGDs they conducted revealed that the participants’ perceptions of financial capability were different from the authors’ pilot conceptualisation portrayed in Figure 7.3. The authors reported that the FGDs
they had conducted revealed that people perceived financial capability in behavioural terms which culminated in the development of the four domains of financial capability that were later investigated in the FSA’s national financial capability survey in the UK. As aforementioned, the four domains were managing money, planning ahead, choosing products, and staying informed (see Figure 7.2).

Figure 7.3: The pilot conceptual model of financial capability Kempson et al. (2005) tested in their focus group discussions

Source: Kempson et al. (2005, p.20)

The background to how Kempson et al.’s (2005) model of financial capability was developed is useful because it explains how some of the components of financial capability that Kempson et al. judged to be important based on their academic expertise were not consistent with the perceptions of financial capability that their FGD participants had. In the end, the model of financial capability that was developed from Kempson et al.’s study was based on the data that were gathered from their fieldwork and only comprised the four domains of managing money, planning ahead, choosing products, and staying informed.

Some of the components of financial capability that were identified by my respondents which did not feature in Kempson et al.’s (2005) final model had in
actual fact been included in Kempson et al.'s pilot conceptual model which they had tested in their FGDs but had not been supported by their respondents. Two such components which appear in Figure 7.3 are “Experience and circumstances” and “Knowledge and understanding”. These components also emerged from my survey as shown in Table 7.8. The fact that Kempson et al. had initially included these components in their pilot conceptual model is noteworthy and I will acknowledge this whenever I propose an additional domain of financial capability that Kempson et al. had initially conceived as part of their pilot conceptual model but had to leave out through the course of their research because it was not supported by their respondents.

The next sections 7.8.1 and 7.8.2 present discussions about the domains of financial capability that I identified from my research which are not sufficiently covered by Kempson et al.'s (2005) final model. Based on my findings, I propose an extension of Kempson et al.'s (2005) model to include the domains I discuss in sections 7.8.1 and 7.8.2.

7.8.1 Financial knowledge and decision-making

The responses that were given by 61 of my survey respondents showed that they associated financial capability with financial literacy, their educational background, and work experience. I combined these factors into one single component which I named financial knowledge. The two responses quoted below illustrate the views of the respondents regarding financial knowledge.

“I am financially literate based on my knowledge of finance, accounting and economics” (R_8pkmF1UXFIsOGPf; Male, 31-40, Electronic Engineer, 2006. FinCap_SE - Excellent).

“I have financial qualifications and have worked in finance” (R_1QMkntmnc1Bd9dk; Male, 41-50, Civil servant, 2004. FinCap_SE - Excellent).

In addition to this, 26 of my survey respondents indicated that they associated financial capability with financial decision-making. The two responses quoted below illustrate the respondents’ views.

“Because I always make informed financial decisions based on my income and most of the time manage to achieve my financial goals” (R_DGpuH4jwp0Bbqb; Male, 41-50, Researcher, 2002. FinCap_SE - Good).
I consequently combined the components of financial knowledge and financial decision-making into one domain termed “Financial knowledge and decision-making”. The relevance of having a domain of Financial knowledge and decision-making as part of the conceptualisation of financial capability is supported by the model of financial capability that was developed by the FINRA Foundation (USA) following their adaptation of Kempson et al.’s (2005) model for use in the USA National Financial Capability Study (US-NFCS) which began in 2009. One of the key differences between the UK and USA financial capability surveys was the existence of a domain named Financial knowledge and decision-making under the USA study which did not exist separately under the UK model developed by Kempson et al. (2005). The results of my study therefore support the assertion by the FINRA Foundation that financial capability should have a separate a Financial knowledge and decision-making domain.

In presenting the results of the 2009 US-NFCS, FINRA Foundation (2009) highlighted that financial knowledge can be evaluated through questions that measure financial literacy from fundamental concepts of economics and finance. In this regard, the definition of financial literacy below by the OECD sheds more light on what constitutes financial literacy.

OECD aptly defines financial literacy as not only the knowledge and understanding of financial concepts and risks but also the skills, motivation, and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life (Lusardi, 2019, p.1).

Lusardi and Mitchell developed a set of questions that can operationalise and measure financial literacy which are commonly referred to as the Big Three (Lusardi, 2019). These questions have been included in various surveys worldwide and comprise questions about interest calculations, understanding inflation, and understanding risk diversification (ibid). In the case of the 2009 US-NFCS, the domain of Financial knowledge and decision-making included a financial literacy quiz as well as self-assessments of financial knowledge, behaviour, and numeracy (Mottola and Kieffer, 2017).
As mentioned under section 7.8, it is important to note that although the domain of *Financial knowledge and decision-making* does not feature separately under Kempson et al.’s (2005) model, they had included the subject in their pilot model which they tested in their FGDs but had to change based on their findings. This provides further justification for adding this separate domain to their existing model. Moreover, in the official publication of the results of the national financial capability baseline survey that was conducted in the UK with the aid of Kempson et al.’s (2005) model, Atkinson et al. (2006) reported that they had included questions that tested applied financial literacy as part of the survey questions that were designed to investigate the domain of *Staying informed*. Atkinson et al. (2006) argued that *Staying informed* requires the ability to acquire and retain knowledge hence they had added questions that tested financial literacy to the domain.

Atkinson et al.’s (2006) arguments for investigating applied financial literacy under the domain of *Staying informed* rather than create a separate domain for the subject as was done under the US-NFCS by FINRA Foundation (2009) is contentious. Furthermore, this is not the only instance where tensions are evident under Kempson et al.’s (2005) model. In their explanation about having added more questions to their survey questionnaire to investigate people’s *attitudes*, the researchers admitted that:

… there were two attitude statements that we had originally intended to use in the ‘choosing products’ domain as they were about financial advisers, but our initial investigations indicated that they would be more appropriate to this domain [the ‘staying informed’ domain]. The statements were:

• “I’ve got a clear idea of the sorts of financial products that I need without consulting a financial adviser”; and

• “I do not know enough about pensions and investments to choose ones that are suitable for my circumstances without consulting a financial adviser”.

However, because these attitude statements do not correlate with the other questions in this domain about ‘staying informed’, they would have created a second factor and, therefore, a second factor score. It would not have been appropriate to have a factor with just two items, and so we have not included them in the final financial-capability score for this domain. We do still have an indicator of attitude in this domain … (Atkinson et al., 2006, p.123).
The statement cited above from Atkinson et al. (2006) shows that there were tensions involved in deciding the domains under which some items could best be incorporated. The evidence of these tensions further justifies the need to revise the model by Kempson et al. (2005) and adapt the model accordingly as was done by FINRA Foundation (2009) before the first US-NFCS was conducted. This is also the basis upon which I have also used the data that were generated from my study to revise and extend Kempson et al.’s (2005) model. The next section discusses another domain that emerged from my study which I also propose to have incorporated in Kempson et al.’s model, which is “Digital financial literacy”.

7.8.2 Digital financial literacy
Since my research focused on MIR, which is a form of digital financial services, I also considered whether the ability to use digital platforms affected the adoption and use of MIR. The ability to use digital financial services competently is an issue of growing importance because of the growth in FinTech, and digital financial literacy (DFL) is emerging as a new field of research in the literature. DFL is a combination of financial literacy and the skills to use digital devices or technology to conduct financial transactions (Goyal and Kumar, 2020). Some authors have hence defined DFL as financial literacy in digital financial technology (for example, Setiawan et al., 2020).

Poor DFL may hinder people from being able to effectively use digital platforms to spend or save money (Setiawan et al., 2020). It is against this background that the need to conceptualise DFL and develop tools to measure it, particularly for vulnerable groups like older people, women, and people who are less educated has been identified (OECD, 2018 cited from Goyal and Kumar, 2020). Although the literature on DFL is still incipient, one of the widely used conceptualisations of DFL was developed by Morgan et al. (2019) and this comprises four dimensions which are: knowledge of digital financial products, awareness of digital financial risks, monitoring of digital risks, and knowledge of consumer protection procedures (Gallego-Losada et al., 2022b).

From my study, I propose that digital financial literacy must be incorporated in contemporary financial capability models. The need to do this has become more
important because of the rapid growth of FinTech initiatives and the increase in the use of digital financial services.

In summary, my study hence proposes the extension of Kempson et al.’s (2005) model to include two new domains of: Financial knowledge and decision-making and Digital financial literacy. The following section concludes this chapter by summarising the major findings from the chapter.

7.9 Conclusions

The chapter sought to answer research sub-question (c) which reads - How does sending MIR affect the financial capabilities of senders of remittances? The analysis in the chapter applied Kempson et al.’s (2005) model of financial capability which comprises four domains of managing money, planning ahead, choosing products, and staying informed. Although, the chapter has examined how sending remittances affects the financial capabilities of the interviewees, it was difficult to clearly distinguish between the effects of sending remittances through MIR in particular from the effects of using the other money transfer methods I investigated. The effects of sending remittances on the financial capabilities of the MIR-users that I discussed could not be directly attributed to the use of mobile technology in transmitting remittances. Rather, closely related effects arose even where different transfer methods were used. Hence, MIR were not immune to some of the common factors that affected remitting in general. Consequently, despite the benefits that MIR offer (see Chapter 5, section 5.3.1), when considering the effects of remitting on financial capability, MIR still need to be seen in the wider context of the challenges associated with remitting in general (regardless of the money transfer method used) as was evidenced in this chapter.

Chapter 7 has made academic contributions at the conceptual and empirical levels. The conceptual contribution was to use the data that were generated from the study to extend Kempson et al.’s (2005) model of financial capability to include two additional domains of Financial knowledge and decision-making and Digital financial literacy. Given that financial capability is one of the components of financial inclusion, which is the overall focus of my research, the work in Chapter 7 also leads to the development of a broader of conceptualisation of financial inclusion, an issue which is finalised in Chapter 8.
The chapter also empirically extended the transnational family care literatures on the sacrifices that migrants make to sustain sending remittances and the needs they deprive themselves of in the process (for example, Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019) to cover the effects of sending remittances on the financial capabilities of the migrants. Moreover, the chapter also extended the economics literatures on remittances and financial inclusion (for example, Aggarwal et al., 2011; Demirgüç-Kunt et al., 2011; Brown et al., 2013; Demirgüç-Kunt and Klapper, 2013) to cover the subject of financial capability which has not featured much in the literatures. In the same vein, the chapter also linked the body of research on remittances and financial inclusion to the separate body of research on transnational family care. The empirical contribution of the chapter was generating original primary data pertaining to neglected actors (senders) in the remittances process that shed new light on the under-researched subject of remittances and financial capability.

The chapter made some recommendations for public policy-makers. First, there is need for the UK government and the governments of Sub-Saharan African countries like Zimbabwe that have sent a lot of migrants to the UK to consider entering into social security agreements to ensure the portability of social security benefits of the migrant workers in the UK. Second, the UK’s financial service regulators need to improve the pricing transparency requirements for RSPs so the RSPs clearly communicate the true costs of sending remittances to their customers.

Having concluded the discussion in Chapter 7, the next Chapter 8 moves on to discuss the major conclusions of the whole study and sum up the overall academic contributions of the study. The chapter also discusses the overall policy recommendations that arose from the study and suggests potential avenues for future research.
Chapter 8: Conclusions

8.0 Introduction

This is the final chapter of the thesis. It discusses the main conclusions of the study, its major academic contributions, recommendations for public policy and business practice, and potential avenues for future research. The study contributed to the ongoing debates about the conceptualisation of financial inclusion (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015) by adapting and extending the model of financial inclusion that was developed by Deb and Kubzansky (2012) using the evidence that was generated from the study (see Figures 8.1 and 8.2). Furthermore, the study also contributed to the ongoing debates about the conceptualisation of financial capability (Zollman and Collins, 2010; Godinho and Russell, 2013; Storchi and Johnson, 2016) by adapting and expanding the scope of Kempson et al.’s (2005) pioneering model using evidence from the research.

Figure 8.1: Financial inclusion and its component parts

<table>
<thead>
<tr>
<th>Intermediate outcomes</th>
<th>Final outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial capability</td>
<td>Full financial inclusion</td>
</tr>
<tr>
<td>Access to finance</td>
<td>Access for all individuals to appropriate financial products and services. This includes people having the skills, knowledge and understanding to make the best use of those products and services.</td>
</tr>
</tbody>
</table>

My study specifically provided the empirical and theoretical basis for the adoption of a broader conceptualisation of financial inclusion that encompasses a socio-
culturally sensitive analysis of access to and use of financial services as well as financial capability, and furthermore recognises the importance of digital financial services in achieving financial inclusion. The study moreover provided substantial empirical evidence for the extension of Kempson et al.’s (2005) model of financial capability.

My research began by conceptualising financial inclusion as being multi-dimensional and encompassing both access to and use of financial services and financial capability as argued by Deb and Kubzansky (2012), Godinho and Russell (2013), Ledgerwood et al., (2013), and Arun and Kamath (2015). This conceptualisation of financial inclusion is portrayed in the description by Deb and Kubzansky (2012) shown in Figure 8.1. My study then adapted and extended the conceptualisation of financial inclusion by Deb and Kubzansky (2012) in Figure 8.1 to develop the extended model presented in Figure 8.2.

The financial capability component of financial inclusion in Figure 8.2 reflects the expanded conceptualisation of financial capability that I developed by extending Kempson et al.’s (2005) model using the evidence that was generated from my study. I proposed two additional domains of financial capability that were not sufficiently addressed by Kempson et al.’s (2005) model and these were: Financial knowledge and decision-making and Digital financial literacy. Digital financial literacy integrates financial literacy and the skills to use digital technology to conduct money transactions (Goyal and Kumar, 2020).

As illustrated in Figure 8.2, my expanded conceptualisation of financial capability is also a component of the broader conceptualisation of financial inclusion that encompasses access to and use of financial services and financial capability as has been argued by some literatures (Deb and Kubzansky, 2012; Godinho and Russell, 2013; Ledgerwood et al., 2013; Arun and Kamath, 2015). Moreover, Figure 8.2 also reflects my arguments for the importance of digital financial services in achieving financial inclusion.
Socio-cultural context: Social relations and cultural values of the communities in which the financial services are provided (Zelizer, 1998; Singh, 2008; Godinho and Russell, 2013; Johnson, 2016; Burrell, 2018; Mesfin, 2018).

Access to and use of financial services

‘The effective access and use by individuals and firms of available, affordable, convenient, quality, and sustainable financial services from formal providers’ (UNCTAD, 2015, p.1).

Access to an account with a financial intermediary, including new modes of accessing financial services (Deb and Kubzansky, 2012).

The use of formal financial services (Demirgüç-Kunt and Klapper, 2013; Allen et al., 2016).

Financial capability

‘The capacity to manage financial resources and use financial services in a way that best suits individual needs and the prevalent social and economic conditions’ (Kempson et al., 2013, p.xii).

Comprises the following domains:

Managing money; Planning ahead; Choosing products; Staying informed (Kempson et al., 2005).

Financial knowledge and decision-making; Digital financial literacy [Author’s additions to Kempson et al.’s (2005) domains].

Digital finance

‘Financial services delivered over digital infrastructure - including mobile and internet - with low use of cash and traditional bank branches’ (McKinsey Global Institute, 2016, p.2)

Financial inclusion

‘Access for all individuals to appropriate financial products and services. This includes people having the skills, knowledge and understanding to make the best use of those products and services’ (Deb and Kubzansky, 2012, p.3).


The study was guided by the main research question: Do MIR improve financial inclusion among the senders of remittances? The overarching research question was further broken down into four sub-questions as follows:

a) Do MIR have greater outreach amongst senders of remittances when compared to other formal and informal means of sending remittances?

b) Does sending MIR increase use of other digital financial services by senders of remittances?
c) How does sending MIR affect the financial capabilities of senders of remittances?

d) How do Zimbabwean social and cultural values influence sending of MIR?

The next sections discuss the results of the study in greater detail. A mixed methods research design that combined qualitative and quantitative methods was employed for the study. The qualitative method was the leading methodology and was supported by the quantitative method where appropriate (see Chapter 4, section 4.2). The data were collected through an online survey and semi-structured interviews that were conducted on telephone with respondents from the Zimbabwean migrant community in the UK. The primary data were supplemented by evidence from the analysis of a secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIR sent by their customers to Zimbabwe.

The discussion in the chapter is organised as follows: Sections 8.1 to 8.4 summarise the findings related to research sub-questions a, b, c, and d respectively. Section 8.5 discusses the implications of the results, and Section 8.6 discusses the academic contributions of the study. Section 8.7 discusses the main recommendations from the study, and the potential avenues for future research are outlined under Section 8.8.

8.1 Outreach of MIR

Research sub-question (a) sought to investigate whether MIR had greater outreach amongst senders of remittances when compared to other formal and informal means of sending remittances. I applied Schreiner's (2002) framework of outreach in order to examine the outreach of MIR under four aspects of Schreiner's framework, namely breadth, depth, worth and cost.

The analysis of the aspect of breadth of outreach showed that most of my survey respondents used multiple transfer methods to send remittances abroad. Multiple transfer methods comprised various combinations of MIR, cash-collection, bank-transfer and informal methods. Furthermore, when considering respondents who used only one transfer method, the number of survey respondents who used cash-collection was almost three times those who used MIR. The results showed that MIR had narrower breadth in comparison to the conventional cash-collection method. Furthermore, the extensive use of multiple transfer methods suggested that MIR
could complement rather than completely substitute the other money transfer methods.

My application of the aspect of worth separated the aspect into positive worth and negative worth. This was an important modification of Schreiner’s framework because it enabled a more in-depth analysis of the value the interviewees placed on MIR. The analysis of negative worth revealed that macroeconomic problems in Zimbabwe made the interviewees prefer using cash-collection rather than MIR when sending remittances. The problems were notably liquidity challenges, foreign exchange risk, and hyperinflation. Zimbabwe was experiencing an economic crisis at the time I conducted my fieldwork in 2018, and the crisis had a negative effect on the use of MIR.

The Zimbabwean government abolished a multi-currency system in June 2019 and passed legislation that made the Zimbabwe dollar, which had been re-introduced, the sole legal tender in Zimbabwe (GoZ, 2019b). The multi-currency system that had been used in Zimbabwe since January 2009 had seen most financial transactions in Zimbabwe being conducted using the US dollar (Chowa et al., 2014), and remittances sent through MIR were received as US dollars during that period. However, after the abolition of the multi-currency system, remittances sent through MIR were credited to the recipients’ mobile money wallets as Zimbabwean dollars. In contrast, international remittances that were sent to Zimbabwe through the cash-collection method were still paid out to the recipients as hard cash denominated in US-dollars. This change put MIR at a disadvantage against the cash-collection method.

The remittance-senders who participated in my study felt that sending remittances through cash-collection benefited their recipients more because they received the remittances in foreign currency which protected them from problems of hyperinflation which rapidly eroded the value of remittances received in Zimbabwean dollars through MIR. Furthermore, remittances that were received from the UK through the official MIR service were converted from British Pounds (Sterling) to Zimbabwean dollars at the official exchange rate which was significantly lower than parallel market exchange rates. The combination of these macroeconomic factors did not the favour the use of MIR.
As aforementioned, I referred to the advantages of using MIR as *positive worth*. The interviewees identified two major advantages associated with the use of MIR. First, was the *ubiquity* of online methods of sending money which implied that the interviewees could send remittances from anywhere, at any time as long as they had internet access. Second, was the *security* associated with receiving remittances as electronic money which reduced risks like theft which could occur when remittances were collected as hard cash.

However, overall, the advantages of MIR identified as *positive worth* were outweighed by the drawbacks from the macroeconomic problems in Zimbabwe identified as *negative worth*. Consequently, the use of MIR declined because of the macroeconomic challenges. The decline was evidenced by the larger number of survey respondents who preferred using cash-collection instead of MIR under the aspect of *breadth*. This was furthermore confirmed by the evidence from the analysis of the secondary quantitative dataset consisting of aggregate WorldRemit data relating to MIRs sent by their customers to Zimbabwe. Joinpoint regression analysis of that data showed that there had been a significant decline in the use of MIR from around August to September 2016 likely because of liquidity problems in Zimbabwe. The macroeconomic problems in the country, including the liquidity challenges, were never resolved and Zimbabwe was still embroiled in a macroeconomic crisis at the time I completed my study in 2021.

My analysis of the aspect of *depth* applied two proxies of *depth* which were use of MIR by the respondents when sending remittances to rural parts of Zimbabwe and the use of MIR to send remittances to women. The analysis showed that the survey respondents were no more likely to use MIR to send remittances to either rural parts of Zimbabwe, or to female recipients, than they would use the cash-collection method. This implied that MIR were no more financially-inclusive of people living in rural areas and women than the conventional cash-collection method.

To the best of my knowledge, the only other large-scale research on MIR that has been conducted was carried out by Morvant-Roux et al. (2017) (refer to Chapter 2, section 2.1 for discussion about their study). Morvant-Roux et al. conducted a multi-sited study of MIR that were sent by Burkinabè migrant workers who lived in Ivory Coast to their homes in Burkina Faso. My results about the limited use of MIR in
rural areas corroborate those of the study by Morvant-Roux et al. who also observed that there was low usage of MIR in the rural parts of Burkina Faso they investigated, despite the infrastructure used to transmit MIR being available in the areas. Morvant-Roux et al. also reported that mobile money agents who operated in the rural areas they investigated experienced liquidity problems which made it difficult for them for them to cash-out large amounts of remittances sent through MIR.

My findings about the limited use of MIR by women also substantiate those of the study by Morvant-Roux et al. (2017) who also noted that women remained heavily excluded from mobile money usage except those who used mobile money for entrepreneurial business-trading activities. My study consequently questions the optimism in the literature (for example, Singh, 2009) that MIR could be instrumental in helping some financially-excluded women to access formal financial services.

As laid out by Schreiner’s framework, my qualitative analysis of the aspect of cost distinguished between price costs and transaction costs. The remittance-senders who participated in my study felt that recipients of MIR incurred more price costs than people who received remittances through cash-collection. This was because of cash-out fees and government taxation. Mobile money companies charged additional cash-out fees when MIR recipients withdrew funds from their mobile money wallets, hence there appeared to be a double charge for sending MIR because the sender who was abroad would have already paid transfer fees. Furthermore, mobile money companies also charged fees for using mobile money to make payments for goods and services. Regarding taxation, MIR recipients were adversely affected by an increase in the intermediated money transfer tax (IMTT) in 2018 from US$0.05 for each transaction that exceeded US$10, to US$0.02 on every dollar of electronic funds that was transferred (GoZ, 2018). Again, the IMTT did not affect remittances that were received through cash-collection. Overall, concerning price costs, the cash-collection method appeared cheaper than MIR because of the additional fees and taxes that MIR recipients incurred.

Although I was not able to conduct a direct investigation of the recipients of MIR in Zimbabwe because of legal restrictions to my fieldwork (see Chapter 4, section 4.4), my findings question the claims in the literature that sending or receiving remittances through MIR costs less than traditional transfer methods like cash-collection (for
example, Mirabaud, 2009; Siegel and Fransen, 2013; Bettman and Harris, 2014; World Bank, 2021b). My criticism of these claims is that the analyses do not include the cash-out fees that are incurred by recipients of MIR when they withdraw the remittances they would have received from their mobile money wallets. Including cash-out fees in the analyses should change the results of the comparisons.

My analysis of transaction costs showed that the migrant respondents felt that recipients of MIR experienced reductions in non-cash costs and indirect cash expenses that were incurred when they had to travel to bricks-and-mortar offices of remittance service providers (RSPs) to collect remittances sent through cash-collection. The major non-cash cost that was reported was the amount of time MIR recipients saved by receiving remittances in their mobile money wallets which reduced the need to travel to physical RSP’s offices to collect remittances. Regarding indirect cash expenses, the respondents felt that MIR recipients saved on costs that would have been incurred when travelling to RSPs to collect cash remittances, for example, bus fares or fuel costs.

Overall, for the aspect of cost, I concluded that MIR had the potential to reduce some of the costs that were incurred when transmitting remittances, howbeit subject to market conditions and government regulation. This is because the additional price costs from cash-out fees and government tax that were incurred by MIR recipients in Zimbabwe did not arise from the technology itself but from mobile money companies’ business strategies and government policy. In contrast, savings on transaction costs like time and travel expenses were more uniform and could be experienced across different country contexts. Despite the fact that MIR-users incurred greater price costs in Zimbabwe, there is a possibility that the price costs could be less in other countries with more conducive business environments, where the cost-saving element of MIR could perhaps become more evident.

The next section summarises the findings relating to research sub-question (b).

8.2 MIR and use of other digital financial services

Research sub-question (b) sought to investigate whether sending MIR increased use of other digital financial services by senders of remittances. My objective was to interrogate some of the assertions in the literature that remittances can serve as an entry point to the formal financial services sector, and present an opportunity for
financial service providers to supply other financial products, for example, savings, credit, and insurance, to the recipients of remittances (Klapper and Singer, 2014; World Bank, 2014; IFAD, 2015). In this regard, remittances have been perceived to be a gateway to financial citizenship (IFAD, 2015) that provides opportunities for increasing financial inclusion of the recipients of the remittances (Klapper and Singer, 2014).

My study investigated whether the use of MIR led to the adoption of any of four other digital financial services (credit cards, loans, insurance, and payments) that I investigated. My analysis through one-way ANOVA tests showed that the mean additional digital financial services used by survey respondents who used MIR was greater than the mean for respondents who used cash-collection only (p-value 0.047), and those who did not send remittances (p-value 0.028). The results showed that the respondents who used MIR to send remittances used more of the other digital financial services that I investigated than respondents who did not use MIR. However, I used the semi-structured interviews to probe whether using MIR had led the respondents to adopt the additional digital financial services. The analysis of the interview data suggested that the additional digital financial services that were adopted by respondents who used MIR were not as a result of using MIR, but rather because of the underlying experiences the respondents already had with technological innovations. It appeared to be that pre-existing experience of using technological innovations that had led the respondents to use MIR in the first place.

What was however missing from my investigation were the perspectives of the recipients of MIR in Zimbabwe because of the aforementioned legal restrictions to my fieldwork. The effects of introducing an innovation like MIR to people who may not have used digital financial services before, would probably have been more evident in a less developed country like Zimbabwe, rather than a developed country like the UK. This is because there is more room for technological innovations to have greater positive impacts on people living in less developed countries than people in developed countries who may have already used an array of digital technologies. The impact of MIR could therefore be expected to be less in the UK than in Zimbabwe where technological advancements have more limited usage. The important question of whether use of MIR increases the adoption of additional digital financial services by MIR-users in low-income countries therefore remains a subject
for future research. The next section moves away from the access to and use of financial services component of financial inclusion to analyse the other component of financial capability.

8.3 MIR and financial capability
Research sub-question (c) sought to investigate how sending MIR affects the financial capabilities of senders of remittances. The starting point in addressing financial capability were the perspectives that contend that all money is shaped by social relationships and cultural values, hence not all dollars are equal (Zelizer, 1998; Godinho and Russell, 2013). My approach in addressing the research question therefore followed the arguments by Godinho and Russell (2013) that the recognition that money is shaped by cultural factors should also extend to studies that investigate financial capability.

My analysis of financial capability was rooted in an examination of the socio-cultural context of my study. For this, I reinterpreted the social relationships within the transnational families I investigated through a financial inclusion lens. This brought me into a dialogue with the literatures on the care dimensions of transnational families. My study hence examined the linkages between MIR, transnational family care, and financial inclusion. I applied Kempson et al.’s (2005) model of financial capability in order to investigate the effects of sending remittances on the financial capabilities of the interviewees. Kempson et al.’s (2005) model comprises four domains of financial capability namely: managing money, planning ahead, choosing products, and staying informed.

For the first two domains of managing money and planning ahead, the interviewees generally felt that sending remittances to cover unexpected emergencies that arose at home was a major challenge that compromised their financial capabilities. When focusing on the domain of managing money, whose analysis spanned effects on budgeting and making ends meet, the results revealed that most of the interviewees who used MIR felt that sending remittances had no effect on budgeting except in cases where emergencies arose at home.

My analysis of making ends meet focused on how some of the interviewees would borrow money, that is, use formal credit, to finance remittances when emergencies
like death or illness arose at home. Only a slight majority of the MIR-users indicated that they had never borrowed from formal sources in order to send remittances when emergencies arose at home, while the minority indicated that they had used formal credit to sustain remitting before. Borrowing in order to send remittances to cover emergencies is conflicted in that although it does increase use of credit, and thus by standard measures of financial inclusion increase financial inclusion of the interviewees, this also gives rise to the risk of over-indebtedness of the interviewees. Although none of my interviewees reported having actually become over-indebted, I found it important to highlight the risks of over-indebtedness that the interviewees were exposed to when they made use of credit in order to keep remitting. Moreover, the risk of the interviewees becoming over-indebted so they can keep sending remittances also casts further doubts on the celebratory discourse about remittances being an effective source of development finance (Kapur, 2004).

In line with Kempson et al.’s model, my analysis of the domain of planning ahead was divided into saving and retirement provision. The results of the analysis of the effect of sending remittances on saving were mixed, with a slight majority of the MIR-users indicating that sending remittances had no effect on saving, while the rest felt that it had a negative effect. In the case of retirement provision, although most of the MIR-users felt that sending remittances had not affected their retirement provisions, there were strong concerns that were raised by the minority who reported negative effects. Notable, were interviewees aged in their 50s who expressed regret about the effects that sending remittances had had on their financial preparations for their own retirement.

The analysis of the domain of choosing products showed that the MIR-users had mixed feelings about the effect that sending remittances had on choosing remittance products and other financial products. A slight majority of the MIR-users indicated that sending remittances had not led them to shop around for the best value financial products, while the minority felt there was a positive effect. I considered having shopped around before purchase as suggested by Kempson et al.’s model to be good financial capability behaviour. My analysis of understanding price transparency as part of choosing products also showed that half of the MIR-users made efforts to verify the true cost of sending remittances while the other half did not. As highlighted
by IOM (2017), it is not easy for senders to calculate the true cost of sending remittances due to hidden costs like foreign exchange margins.

I extended the investigation of choosing products to identify barriers that affected the financial capability domain. This was important because I found it important to try and understand why the interviewees chose to maintain particular RSPs rather than switch to seemingly better RSPs when opportunities arose. The interviewees identified the following barriers as factors that limited their liberty to choose remittance products: high costs of switching to different RSPs; the recipients’ access to collection points for remittances; and the urgency of the transactions they were conducting. The constraint of high switching costs also involved costs related to micro-coordination which refers to the need to re-orient recipients on how to collect the remittances if they are sent through a different RSP or transfer method (Ling and Yttri, 2002; Cabalquinto, 2020). Costs of micro-coordination resulted in some interviewees preferring to maintain the same transfer methods even if less costly options arose.

I furthermore linked the three barriers to choosing products that I identified to perspectives from the field of Behavioural economics that argue that there are some systematic biases that influence individual financial decisions and could thus affect financial capability. In particular, cognitive biases like procrastination and status quo bias could influence the financial capability domain of choosing products (de Meza et al., 2008). Status quo bias, that is, people’s tendency to maintain their previous choices, could limit their capability to shop around (ibid). I argued that the aforementioned barriers to choosing products that I identified in my study - high costs of switching between RSPs, the recipients’ access to collection points, and the urgency of the transactions - could give rise to status quo bias in the context of remittance services.

My analysis of Kempson et al.’s domain of staying informed focused on keeping abreast with financial news. Most of the MIR-users indicated that they followed financial news closely because they had to send remittances, while only a minority did not. Of particular significance was news about foreign exchange rate fluctuations which affected the values of remittances the interviewees would send. Some interviewees furthermore acknowledged the important role that social media
platforms like WhatsApp played in disseminating financial information like foreign exchange rates and thus helping them to *stay informed*.

Beyond the application of Kempson et al.’s (2005) model, my study also investigated the exchanges of financial advice between the survey and interview respondents and their relatives in Zimbabwe as conduits for the transfer of financial capabilities. I found that financial advice did not only flow unidirectionally from the migrant respondents to their relatives in Zimbabwe, but also flowed in a reverse manner from the relatives in Zimbabwe to the respondents in the UK. This was especially so when the respondents benefited from advice about making financial investments in Zimbabwe given by their relatives at home. I consequently concluded that the transfer of financial capabilities between the migrant respondents and their relatives in Zimbabwe through exchanges of financial advice was a reciprocal two-way process and not a unidirectional one. These findings corroborated the notion of *reverse remittances* (Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018).

Having summarised the study’s major findings for research sub-question (c), the following section moves on to discuss the findings relating to sub-question (d).

### 8.4 Zimbabwean social and cultural values that influence sending of MIR

The examination of *transnational family care* issues in the study revealed that the obligation that Zimbabwean adult children had to care for their parents was one of the major drivers of the remittances that were sent to Zimbabwe. Most of the remittances that were sent home by my survey respondents went to parents and other members of the extended family. Moreover, my research also found evidence that remittances were not only *one-way* flows from the UK to Zimbabwe, but could also flow from one node of the Zimbabwean diaspora to another as was also observed by Singh (2008) and Singh et al. (2012) for the Indian diaspora. Notably, some remittances were transferred from the UK to South Africa which is home to the largest proportion of the Zimbabwean diaspora (see Chapter 2, section 2.5). Furthermore, my study also found evidence in support of the notion of *reverse remittances* that flow from home communities to migrants (Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018). The respondents in my study were not just senders of remittances, they received various forms of support from family members in Zimbabwe and other nodes of the Zimbabwean diaspora which included moral
support, physical gifts, and instances where the relatives cared for the migrants’ parents who had remained in Zimbabwe.

The semi-structured interviewees’ feelings about the need to send remittances differed. Some interviewees felt that it was their duty to care for other extended family members in line with the African philosophy of ubuntu. ‘Ubuntu refers to African values and practices that emphasise being human through other people and is illustrated through the phrase: I am because of who we all are’ (Mugumbate and Nyanguru, 2013, p.83). However, some interviewees felt that some of the relatives they sent remittances to did not appreciate the remittances they sent which resulted in tensions arising within the transnational families. Some interviewees also felt that the family members at home thought the streets in the UK were paved with gold which was consistent with Singh’s (2008) money tree syndrome. Moreover, other interviewees expressed disappointment about how some of the remittances they had sent home in the past had been misappropriated. However overall, despite the tensions that had been experienced, the interviewees would still assist family members at home when emergencies like illness or death occurred, and the values of Zimbabwean culture or ubuntu emerged stronger as transnational families united to help one another when in need.

I furthermore analysed the interviewees expectations that the remittances they sent should be spent in a responsible manner, and that the recipients should appreciate the efforts they had made to send the money rather than exhibit the money tree syndrome through the mental accounting framework. The mental accounting framework was proposed by Shefrin and Thaler (1988) under their Behavioural life-cycle hypothesis. Some studies that have applied the mental accounting framework in the study of remittances have argued that remittance income and other incomes are not fungible, hence a dollar of remittance income is not equal to a dollar of any other income (Davies et al., 2009; Waidler, 2016; Tilenbaeva, 2022). My interviewees hence expected the remittances they sent to be spent responsibly given the sacrifices that some of them had to make to send the money as I discuss below. Where the remittances were spent irresponsibly or wastefully, this resulted in the arguments by Singh (2010) of the migrants’ feelings of the ‘the dollar received not being valued as much as the dollar sent’.
Sometimes my interviewees had to deprive themselves of things they needed or work extra hours, or hold multiple jobs in order to keep sending remittances. The sacrifices some of the interviewees made to sustain remitting led to some of them developing illnesses or experiencing declines in their standard of living. The harm or losses experienced by some interviewees in order to keep sending remittances corroborate the criticisms of the celebratory discourse about remittances being an effective source of development finance (Kapur, 2004) that have emerged in the literature (for example, Butsch, 2019; Yeates and Owusu-Sekyere, 2019).

My investigation of the experiences of using MIR to send remittances showed that receiving remittances through MIR could increase problems of concealment of money between married spouses who received remittances as reported by other studies (Singh, 2009; Kusimba, 2021). I attributed this problem to the fact that electronic money like mobile money could be concealed more easily than hard cash hence this could increase challenges of concealment of remittances between spouses.

Having summarised the study’s major findings, the following section moves on to discuss the implications of the findings.

8.5 Implications of the results

As aforementioned, the study sought to answer the main research question: Do MIR improve financial inclusion among the senders of remittances? The study applied a broader conceptualisation of financial inclusion that encompasses access to and use of financial services and financial capability (see section 8.0). Pertaining to the access to and use of financial services component, the results I discussed in the previous sections imply that the opportunities for MIR to serve as an effective tool that could help in improving access to and use of formal financial services are significant. This was evidenced by my analysis which involved the application of Schreiner’s (2002) framework for outreach to the data that were generated from the remittance-senders who participated in my study (see section 8.1). The advantages of using MIR which I identified under positive worth, as well as the reductions in transaction costs that arose from using MIR evidenced how MIR could positively contribute to improving access to and use of financial services. However, the usefulness of MIR diminished when the contextual constraints that I identified under
negative worth, as well as price costs were considered. This resulted in the limited use of MIR that was manifested under the aspect of breadth, and the limited depth of MIR when examining the use of MIR to send remittances to women and people in rural areas.

My analysis of the transnational family care issues in my study generated new evidence to support the arguments by Kusimba et al. (2018) that as an adjunct to the mobile phone as a social tool, mobile money cannot be separated from the social functions of the mobile phone; hence mobile money strengthens traditional economic support networks of friends and families. As Kusimba et al. (2018, p.187) posit, “the conversion of the economic into the social and back again is one of the most widely appreciated functions of mobile phones and mobile money”. My study has emphasised the importance of understanding the social relations and cultural values in which MIR operate in order to be able to leverage the service to promote digital financial inclusion more effectively. The study thus heeds the calls for research which investigates the manner in which digital financial technologies affect financial practices that are embedded in socio-cultural meanings of money and inter-personal relations among communities linked by family, friendship, or place of residence (Johnson, 2016; Burrell, 2018; Mesfin, 2018).

Admittedly, my investigation of the financial capability component of financial inclusion could not clearly identify any specific effects of sending remittances through MIR on the financial capabilities of the senders that could not arise from sending remittances through the alternative transfer methods I investigated. None of the effects of sending remittances on the financial capabilities of the MIR-users that I found in my study could be directly attributed to the use of mobile technology in transmitting remittances. I hence concluded that MIR were not immune to some of the general factors that affected remitting in general. Despite the advantages that MIR offer, when considering the effects of remitting on financial capability, MIR still needed to be seen in the wider context of the challenges associated with remitting in general (regardless of the money transfer method used).
Overall, I drew up the conclusion for my study’s overarching research question from the analysis of the individual components of financial inclusion I have discussed above. I concluded that the effectiveness of MIR as a tool for promoting financial inclusion is dependent on the context of the country in which the MIR service is provided; specifically, the macroeconomic factors, government regulatory policies, and market conditions in the country. If these conditions are favourable then there will be greater potential for MIR to promote access to and use of formal financial services in the country, and furthermore possibly positively impact on the financial capabilities of people who use the MIR service. However, if the conditions are less favourable, as was the case with Zimbabwe where my respondents sent remittances to, then the advantages of using MIR could be eroded by the disadvantages that arise from the poor conditions in the country, and the contextual factors could eventually become major constraints that compromise the positive effects of MIR in promoting access to and use of financial services and financial capability. Over and above all, it is important to investigate and understand the socio-cultural context in which the MIR service is provided in order to be able to more effectively harness the potential of MIR in promoting financial inclusion.

Having reached this conclusion for my study, the following section moves on to discuss the academic contributions of the research.

8.6 Contributions of the study
This section discusses the major academic contributions of the study. The study made significant original contributions at the conceptual and empirical levels. These are discussed separately in the following sections starting with the conceptual contributions of the study.

8.6.1 Conceptual contributions
The first conceptual contribution of the study was to extend Kempson et al.’s (2005) model of financial capability using data that were generated from the study. The study thus contributed to the ongoing debates about developing conceptualisations of financial capability that are appropriate for different contexts, for example, LMICs (Zollman and Collins, 2010; Godinho and Russell, 2013; Storchi and Johnson, 2016).

My extended form of Kempson et al.’s (2005) model included two additional domains of Financial knowledge and decision-making and Digital financial literacy.
As portrayed in Figure 8.1, financial capability is one of the components of financial inclusion, which is the overarching focus of my study. My reconceptualisation of financial capability furthermore feeds into the development of a broader of conceptualisation of financial inclusion. My study thus provides the empirical and theoretical basis for the adoption of a broader conceptualisation of financial inclusion that encompasses a socio-culturally sensitive analysis of access to and use of financial services as well as financial capability, and moreover recognises the contributions of digital finance in achieving financial inclusion (see Figure 8.2). My arguments for the recognition of the contributions of digital finance in promoting financial inclusion stem from my analysis of the effects of MIR under Schreiner’s (2002) framework which showcased the positive worth of the service and its potential to overcome some of the challenges experienced when transmitting remittances, for example, when sending remittances to remote areas without bricks-and-mortar financial institutions.

The second conceptual contribution my study made was the adaptation of Schreiner’s (2002) framework for outreach, and my novel application of the framework outside the microfinance discipline to evaluate money transfer methods. My adaptation of Schreiner’s framework for use in my study is explained in Chapter 3 (section 3.4.4). I furthermore expanded Schreiner’s aspect of worth of outreach so it distinguishes between positive worth and negative worth. This was an important modification of Schreiner’s framework because it permitted a more in-depth analysis of the value of MIR. The application of positive worth in analysing my research data consequently yielded substantial empirical evidence that supports the importance of digital finance in achieving financial inclusion like I illustrated in Figure 8.2.

My study’s third conceptual contribution was linking the body of economics literatures on remittances and financial inclusion to the separate body of literatures on transnational family care. My study extended the transnational family care literature on the sacrifices that migrants make to sustain sending remittances and the needs they deprive themselves of in the process (for example, Nyamnjoh, 2005; Wong, 2006; Lindley, 2009; Hammond, 2011; Yeates and Owusu-Sekyere, 2019) to cover the economics research perspectives of the effects of sending remittances on the financial capabilities of the migrants. The study demonstrated how remitting affected the interviewees’ financial capabilities as portrayed by their ability to manage money (budget and make ends
meet); plan ahead (save and make provisions for retirement); choose products; and stay informed as advanced by Kempson et al.'s (2005) model. Moreover, the study also extended the existing body of economics literatures on remittances and financial inclusion (for example, Aggarwal et al., 2011; Demirgüç-Kunt et al., 2011; Brown et al., 2013; Demirgüç-Kunt and Klapper, 2013) to cover the subject of financial capability which has not featured much in the literature. An exception is the doctoral research by Fang (2014) that investigated the impacts of mobile money on subsistence marketplaces in rural Cambodia.

The following section discusses the empirical contributions of the study.

8.6.2 Empirical contributions

The study made a contribution by generating and analysing substantial empirical evidence that sheds light on the emerging field of research on MIR. Only a few studies have investigated MIR, and these are notably the studies by Mirabaud (2009), Singh (2009), Alampay and Bala (2010), Siegel and Fransen (2013), Bettman and Harris (2014), and Morvant-Roux et al. (2017). My study hence contributed to the limited research in the field by showcasing the opportunities and challenges that exist for MIR to foster the financial inclusion of marginalised groups, particularly rural communities and women. In this regard, my study found that MIR were no more financially-inclusive of people living in rural areas and women than the conventional cash-collection method. Furthermore, the effectiveness of MIR as a tool for promoting financial inclusion is dependent on the context of the country in which the MIR service is provided, that is, the macroeconomic factors, government regulatory policies, and market conditions within the country. Where these conditions are conducive, there is greater potential for MIR to promote financial inclusion in the country. However, where the conditions are less favourable, the contextual factors could become major constraints that limit the effectiveness of MIR in fostering financial inclusion.

My study moreover makes another empirical contribution by researching the emerging field of digital financial inclusion and generating significant empirical evidence on the subject. My study however contests the optimism in the literature about remittances or digital payments being a gateway to the formal financial services sector, and presenting an opportunity for increasing financial inclusion of the new entrants through providing them with additional financial products (Klapper
and Singer, 2014; World Bank, 2014; IFAD, 2015). Although my analysis was limited to the migrant senders of remittances only and did not include a direct investigation of the recipients in Zimbabwe, the results do not support the optimism in the literature. My analysis did find increases in digital financial inclusion of survey respondents who used MIR, as evidenced by the additional digital financial services they used (payments, insurance, credit cards, and loans), but attributed the increases to the underlying pre-existing experience the respondents had with technological innovations, and not the specific experience of using the MIR service.

My study furthermore made another empirical contribution by investigating the under-researched subjects of ‘MIR and social relations’ as well as ‘reverse and intra-diasporic remittances’. My investigation of the social relations and cultural values surrounding the use of MIR in transnational families complements the scarce literature on the subject (for example, Singh, 2009; Morvant-Roux and Peixoto-Charles, 2020). Furthermore, the substantial evidence from my study of reverse remittances that my respondents received from their relatives in Zimbabwe and other nodes of the Zimbabwean diaspora complement the limited literature on reverse remittances (for example, Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018). The evidence moreover corroborates the argument that the conceptualisation of remittances as one-way flows obscures the fact that remittances are part of reciprocal social relations and also entail flows of goods, money, and services from countries in the Global South to migrants (Mazzucato, 2011). My study generated extensive empirical evidence about the various forms of support my respondents received from Zimbabwe and other parts of the Zimbabwean diaspora which included moral support, physical gifts, and the relatives at home caring for the migrants’ parents who were still in Zimbabwe.

My investigation of the transfer of financial capabilities from the migrant respondents to other family members in Zimbabwe found that this was also a reciprocal process. Rather than there being a one-way transfer of financial capabilities through financial advice given by the migrant respondents to their relatives at home, the process was actually reciprocal with financial capabilities also being transferred from the family members at home to the respondents. This was particularly the case when the respondents received advice about making financial investments in Zimbabwe from their relatives at home. Both the respondents and their relatives at home therefore
benefited from the transfers of financial capabilities through mutual exchanges of financial advice. These findings further corroborate the notion of reverse remittances (Mazzucato, 2009 and 2011; Palash and Baby-Collin, 2018).

Regarding *intra-diasporic remittances*, the empirical evidence generated from my research also complements the limited literature on this subject (for example, Singh, 2008; Singh et al., 2012). My study demonstrated how my respondents sent remittances to other countries worldwide that Zimbabweans have migrated to, most notably South Africa which holds the largest proportion of the global Zimbabwean migrant stock (see Table 2.1 in Chapter 2, section 2.5). I consequently argued that the existence of remittances that are sent ‘home’ via other nodes of the diaspora should be taken into account when estimating total remittance flows between migrants’ host countries and their countries of origin.

Having summed up the academic contributions of my study, the following section moves on to discuss the major recommendations for policy and business practice that emanate from the study.

**8.7 Recommendations**

This section discusses the main recommendations that can be given from the study. The recommendations are separated into recommendations for MIR service providers (section 8.7.1) and recommendations for public policy-makers (section 8.7.2).

**8.7.1 Recommendations for MIR service providers**

There are some issues that MIR service providers may need to address if they are to make MIR more competitive in comparison to other transfer methods. Notable, is the issue of *cash-out* charges that MIR recipients have to pay when they convert the electronic remittances they would have received to hard cash. Chapter 5 demonstrated that interviewees who used MIR were disgruntled about this additional charge since the sender abroad would have already paid fees for the transfer. The *cash-out* fees charged appeared to be a double charge which reduced the competitiveness of MIR versus the cash-collection method. My research did not attempt to seek for justification from MIR service providers regarding why they still charged the additional *cash-out* fees to MIR recipients, but I will nonetheless
recommend that this is an important issue that MIR service providers need to consider.

The second recommendation relates to how MIR service providers and public policymakers could improve the operations of MIR in order to enhance the usefulness of MIR as a tool for promoting financial inclusion. The fact that mobile money agents in both my Zimbabwean study and the Burkina Faso study of MIR by Morvant-Roux et al. (2017) all experienced liquidity problems whereby they struggled to have enough cash to provide cash-out services to MIR recipients suggests that similar liquidity challenges could also be experienced in other parts of the world too, particularly in rural areas. There could hence be need for MIR service providers and public policymakers to devise means of supporting mobile money agents who operate in rural areas and help them to overcome the liquidity problems. If the liquidity constraints and other operational challenges experienced by the mobile money agents are mitigated then that could encourage people living in rural areas and women to switch from informal remittance systems to MIR, and thus improve their financial inclusion.

As Morvant-Roux et al. (2017) observed in their study, the problem further extends to security and safety risks that rural mobile money agents are exposed to when they need to either acquire or hold onto large amounts of cash which serves as a float for transactions by their clients. There could hence be need for MIR service providers to train rural mobile money agents on how they could manage their cash, that is, cashflow management, and furthermore more put in place other support mechanisms to help them remain liquid without leaving them susceptible to robberies. The following section discusses recommendations that are particularly meant for public policymakers.

8.7.2 Recommendations for public policymakers
The main recommendation for public policymakers in Zimbabwe (that is, government, including regulators) is that they adopt a broader conceptualisation of financial inclusion that encompasses a socio-culturally sensitive analysis of access to and use of financial services as well as financial capability, and furthermore recognises the contributions of digital financial services in achieving financial inclusion as proposed by my study and illustrated in Figure 8.2. It is furthermore
important for the policymakers to adopt a conceptualisation of financial capability that is appropriate for the context in Zimbabwe because as argued by Kempson et al. (2013), some of the challenges in LMICs limit the relevance of conceptualisations of financial capability that were developed in high-income countries. Such challenges include limited access to formal financial services, higher levels of poverty, larger rural populations, and bigger informal sectors (ibid – see Chapter 2, section 2.3.1 for full discussion). Adopting a context-sensitive conceptualisation of financial capability will therefore enable policymakers to develop policies that are more appropriate for the conditions in Zimbabwe.

Another policy recommendation is that Zimbabwean public policymakers recognise the importance of digital financial inclusion. As discussed in Chapter 1, challenges of the COVID-19 pandemic increased the adoption of MIR in other parts of the world because the service helped overcome lockdowns and other restrictions that made it difficult to use cash-based remittance services (World Bank, 2021). The MIR service was therefore useful in helping mitigate the effects of the COVID-19 pandemic in countries where the service was operating well. However, in the case of Zimbabwe, where the MIR service had already been disrupted by various contextual factors (see Chapter 5, section 5.3), recipients of remittances had little choice but to use cash-based remittance services. Consequently, there were often very long and crowded queues at outlets where remittances sent through cash-collection could be received. These queues probably increased the spread of the COVID-19 virus, or at least put the public at greater risk of contracting the deadly virus. The fact that a service like MIR could not be used when it was needed the most because the service had been disrupted by obstacles that could have been avoided serves as a lesson for public policymakers - that they need to be supportive of efforts to promote universal digital financial inclusion.

The last recommendation is that the Zimbabwean public policymakers consider promulgating a universal service obligation for mobile money service providers in Zimbabwe. A universal service obligation involves the recognition that access to a particular service is a basic right of all citizens which is essential for full participation in the community, and hence requires universal geographical availability, non-discriminatory access, and reasonable costs of the service (Blackman, 1995). Promulgating a universal service obligation for mobile money service providers
would improve the provision of mobile money services, and consequently MIR, in Zimbabwe’s rural areas where they will be useful in promoting financial inclusion.

In addition to the previous recommendations that are specifically targeted at Zimbabwean policymakers, the study also made recommendations for public policymakers in both Zimbabwe and the UK. My analysis of the component of retirement provision under Kempson et al.’s (2005) model led to the recommendation that the UK government and the governments of Zimbabwe and other Sub-Saharan African countries that have sent a lot of migrants to the UK should consider entering into social security agreements that ensure the portability of social security benefits of the migrant workers in the UK. The social security arrangements need not be limited to pensions only but could also include healthcare benefits as that will be helpful to the migrant workers.

Another policy recommendation for the UK government’s financial services regulators is that they improve the requirements for RSPs to be more transparent about their remittance prices so customers can have a better understanding of the true costs of sending remittances. Improving the transparency of remittance prices will in turn support progress towards the achievement of Sustainable Development Goal 10 target 10.c which aims to reduce the transaction costs of migrant remittances to less than three percent by 2030 and eliminate remittance corridors with costs that are higher than five percent (UNDESA, n.d.).

Having discussed the major applications of the study’s findings, the following section closes the chapter by discussing potential avenues for future research.

**8.8 Future research**

The main subject that I would propose for future research is what my study had initially sought to investigate but was hindered from accomplishing – an investigation of the effect of receiving remittances through MIR on financial inclusion of people living in LMICs. My recommendation is that researchers who try to conduct the study choose a fairly economically and politically stable country in order to minimise disturbances that could make it difficult to clearly examine the effects of MIR in the environment. In addition to this major outstanding topic, I will suggest three more topics.
Second, as suggested by Singh (2009), there is still need for more research that draws bridges between the use of MIR and the dynamics of remittances through linking the macro-perspective of the scale of MIR to the micro-perspective of the effect of MIR on money management and control within transnational families.

Third, it could be useful to further investigate cases where migrants borrow money from formal or informal sources abroad and then send the money home as remittances. Chapter 7 of this thesis demonstrated that migrants could sometimes do this when emergencies arose (section 7.3.2). Borrowing of this kind puts the migrants at risk of over-indebtedness hence it would be useful to investigate the issue further.

Fourth, the findings from Chapter 7 (section 7.4.2) also suggest that it could be useful to undertake more research about the living conditions of past remittance senders who are now beyond retirement age. The studies could find out how they feel about the remittances they sent during their working life and investigate whether remitting could have either positively or negatively affected their living conditions after retirement. A follow-up study of this nature could produce results that could be useful in further evaluating the role remittances play in society.
References


270


Berger, R. (2013). Now I see it, now I don’t: Researcher’s position and reflexivity in qualitative research. Qualitative Research, 0(0), 1–16. DOI:10.1177/1468794112468475


272


http://dx.doi.org/10.5038/1936-4660.6.2.5


https://www.gsma.com/mobilemoneymetrics/#deployment-tracker

https://www.gsma.com/mobilemoneymetrics/#deployment-tracker


https://digitalcommons.macalester.edu/bildhaan/vol10/iss1/11


### Appendix 2.1: List of MIR services around the world

**Source:** Mobile Money Deployment Tracker by GSMA (2022b)

<table>
<thead>
<tr>
<th>NAME</th>
<th>ORGANISATION</th>
<th>COUNTRY</th>
<th>No. of MIR service providers</th>
<th>REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 mHawala</td>
<td>Etisalat</td>
<td>Afghanistan</td>
<td>1</td>
<td>South Asia</td>
</tr>
<tr>
<td>2 MobiDram</td>
<td>VivaCell-MTS</td>
<td>Armenia</td>
<td>1</td>
<td>Europe and Central Asia</td>
</tr>
<tr>
<td>3 Rocket</td>
<td>Dutch-Bangla Bank Limited</td>
<td>Bangladesh</td>
<td>6</td>
<td>South Asia</td>
</tr>
<tr>
<td>4 bKash</td>
<td>bKash</td>
<td>Bangladesh</td>
<td></td>
<td>South Asia</td>
</tr>
<tr>
<td>5 mCash</td>
<td>Islami Bank</td>
<td>Bangladesh</td>
<td></td>
<td>South Asia</td>
</tr>
<tr>
<td>6 t-cash</td>
<td>Trust Bank</td>
<td>Bangladesh</td>
<td></td>
<td>South Asia</td>
</tr>
<tr>
<td>7 OK Wallet</td>
<td>ONE Bank Limited</td>
<td>Bangladesh</td>
<td></td>
<td>South Asia</td>
</tr>
<tr>
<td>8 Hello Cash</td>
<td>Al-Arafah Islami Bank Limited</td>
<td>Bangladesh</td>
<td></td>
<td>South Asia</td>
</tr>
<tr>
<td>9 MTN Mobile Money</td>
<td>MTN</td>
<td>Benin</td>
<td>2</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>10 Moov Money</td>
<td>Moov Africa Benin</td>
<td>Benin</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>11 Tigo Money</td>
<td>Tigo (Millicom)</td>
<td>Bolivia</td>
<td>2</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>12 Billetera Móvil</td>
<td>Entel</td>
<td>Bolivia</td>
<td></td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>13 Orange Money</td>
<td>Orange</td>
<td>Botswana</td>
<td>1</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>14 Orange Money</td>
<td>Orange</td>
<td>Burkina Faso</td>
<td>2</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>15 YUP</td>
<td>Société Générale</td>
<td>Burkina Faso</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>16 EcoCash</td>
<td>Econet Leo</td>
<td>Burundi</td>
<td>1</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>17 WING</td>
<td>Wing Bank (Cambodia) Plc.</td>
<td>Cambodia</td>
<td>2</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>18 AMK</td>
<td>Angkor Mikroheranhvatho (Kampuchea) Co. Ltd.</td>
<td>Cambodia</td>
<td></td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>19 MTN Mobile Money</td>
<td>MTN</td>
<td>Cameroon</td>
<td>2</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>20 Orange Money</td>
<td>Orange</td>
<td>Cameroon</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>21 Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Chad</td>
<td>1</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>22 DaviPlata</td>
<td>DaviPlata</td>
<td>Colombia</td>
<td>2</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>23 Bancolombia a la Mano</td>
<td>BanColombia</td>
<td>Colombia</td>
<td></td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>24 MTN Mobile Money</td>
<td>MTN</td>
<td>Congo</td>
<td>1</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>25 Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Congo, Democratic Republic of</td>
<td>2</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>26 Orange Money</td>
<td>Orange</td>
<td>Congo, Democratic Republic of</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>27 Orange Money</td>
<td>Orange</td>
<td>Côte d'Ivoire</td>
<td>5</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>28 MTN Mobile Money</td>
<td>MTN</td>
<td>Côte d'Ivoire</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>29 Moov Money</td>
<td>Moov Africa Côte d'Ivoire</td>
<td>Côte d'Ivoire</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>30 Qash Mobile Banking</td>
<td>Qash Services</td>
<td>Côte d'Ivoire</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>31 YUP</td>
<td>Société Générale</td>
<td>Côte d'Ivoire</td>
<td></td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td></td>
<td>Service Name</td>
<td>Operator</td>
<td>Country</td>
<td>Region</td>
</tr>
<tr>
<td>---</td>
<td>----------------------</td>
<td>---------------------------</td>
<td>---------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>32</td>
<td>Tigo Money</td>
<td>Tigo (Millicom)</td>
<td>El Salvador</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>33</td>
<td>DaviPlata</td>
<td>DaviPlata</td>
<td>El Salvador</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>34</td>
<td>Hello Cash</td>
<td>Belcash</td>
<td>Ethiopia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>35</td>
<td>Tele Birr</td>
<td>Ethio Telecom</td>
<td>Ethiopia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>36</td>
<td>MyCash</td>
<td>Digicel</td>
<td>Fiji</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>37</td>
<td>M-PAiSA</td>
<td>Vodafone</td>
<td>Fiji</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>38</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Gabon</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>39</td>
<td>Kerketi</td>
<td>JSC Mobile Finance Eurasia (MFE)</td>
<td>Georgia</td>
<td>Europe and Central Asia</td>
</tr>
<tr>
<td>40</td>
<td>AirtelTigo Money</td>
<td>AirtelTigo</td>
<td>Ghana</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>41</td>
<td>MTN Mobile Money</td>
<td>MTN</td>
<td>Ghana</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>42</td>
<td>Vodafone Cash</td>
<td>Vodafone</td>
<td>Ghana</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>43</td>
<td>Zeepay</td>
<td>Zeepay Ghana Limited</td>
<td>Ghana</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>44</td>
<td>Tigo Money</td>
<td>Tigo (Millicom)</td>
<td>Guatemala</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>45</td>
<td>Orange Money</td>
<td>Orange (Sonatel)</td>
<td>Guinea</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>46</td>
<td>MTN Mobile Money</td>
<td>MTN</td>
<td>Guinea</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>47</td>
<td>MTN MoMo</td>
<td>MTN</td>
<td>Guinea-Bissau</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>48</td>
<td>Orange Money</td>
<td>Orange (Sonatel)</td>
<td>Guinea-Bissau</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>49</td>
<td>Lajancash</td>
<td>Haitipay</td>
<td>Haiti</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>50</td>
<td>Eko</td>
<td>Eko</td>
<td>India</td>
<td>South Asia</td>
</tr>
<tr>
<td>51</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>India</td>
<td>South Asia</td>
</tr>
<tr>
<td>52</td>
<td>PayTm</td>
<td>PayTm Payments Bank</td>
<td>India</td>
<td>South Asia</td>
</tr>
<tr>
<td>53</td>
<td>OVO</td>
<td>PT Visionet Internasional</td>
<td>Indonesia</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>54</td>
<td>LinkAja</td>
<td>Finarya</td>
<td>Indonesia</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>55</td>
<td>True Money</td>
<td>True Corporation</td>
<td>Indonesia</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>56</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Kenya</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>57</td>
<td>M-PESA</td>
<td>Safaricom</td>
<td>Kenya</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>58</td>
<td>Equitel</td>
<td>Equity Bank</td>
<td>Kenya</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>59</td>
<td>ELSOM</td>
<td>Kyrgyz Investment and Credit Bank</td>
<td>Kyrgyzstan</td>
<td>Europe and Central Asia</td>
</tr>
<tr>
<td>60</td>
<td>Ecocash Spache-Fono</td>
<td>EcoCash</td>
<td>Lesotho</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>61</td>
<td>M-PESA</td>
<td>Vodacom (Vodafone)</td>
<td>Lesotho</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>62</td>
<td>MTN Mobile Money</td>
<td>Lonestar (MTN)</td>
<td>Liberia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>63</td>
<td>Orange Money</td>
<td>Orange (MTN)</td>
<td>Madagascar</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>64</td>
<td>MVola</td>
<td>Telma</td>
<td>Madagascar</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>65</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Malawi</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>66</td>
<td>TNM MPAMBA</td>
<td>TNM</td>
<td>Malawi</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>67</td>
<td>Zoona</td>
<td>Mukuru</td>
<td>Malawi</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>68</td>
<td>Valyou Wallet</td>
<td></td>
<td>Malaysia</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>69</td>
<td>Orange Money</td>
<td>Orange (Sonatel)</td>
<td>Mali</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>70</td>
<td>Barid Bank Mobile</td>
<td>Al Barid Bank</td>
<td>Morocco</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>71</td>
<td>Irwi Money</td>
<td>Irwi</td>
<td>Morocco</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>No.</td>
<td>Service Provider</td>
<td>Owner</td>
<td>Country</td>
<td>Region</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>---------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>72</td>
<td>Orange Money</td>
<td>Orange</td>
<td>Morocco</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>73</td>
<td>M-PESA</td>
<td>Vodacom (Vodafone)</td>
<td>Mozambique</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>74</td>
<td>True Money</td>
<td>True Corporation</td>
<td>Myanmar</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>75</td>
<td>eSewa Fonepay</td>
<td>FonePay</td>
<td>Nepal</td>
<td>South Asia</td>
</tr>
<tr>
<td>76</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Niger</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>77</td>
<td>Zamani Cash</td>
<td>Zamani Telecom</td>
<td>Niger</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>78</td>
<td>Paga</td>
<td>Pagatech</td>
<td>Nigeria</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>79</td>
<td>Cellulant Wallet</td>
<td>Cellulant Ltd</td>
<td>Nigeria</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>80</td>
<td>Kegow</td>
<td>Chams Mobile</td>
<td>Nigeria</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>81</td>
<td>Vcash</td>
<td>VTN</td>
<td>Nigeria</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>82</td>
<td>easypaisa</td>
<td>Telenor</td>
<td>Pakistan</td>
<td>South Asia</td>
</tr>
<tr>
<td>83</td>
<td>OMNI</td>
<td>United Bank Limited</td>
<td>Pakistan</td>
<td>South Asia</td>
</tr>
<tr>
<td>84</td>
<td>JazzCash</td>
<td>Jazz (Global Telecom)</td>
<td>Pakistan</td>
<td>South Asia</td>
</tr>
<tr>
<td>85</td>
<td>GCash</td>
<td>Globe Telecom</td>
<td>Philippines</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>86</td>
<td>PayMaya</td>
<td>PayMaya (Smart PLDT)</td>
<td>Philippines</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>87</td>
<td>coins.ph</td>
<td>Bangko Sentral nd Pillipinas (BSP)</td>
<td>Philippines</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>88</td>
<td>Ooredoo Money</td>
<td>Ooredoo</td>
<td>Qatar</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>89</td>
<td>YooMoney</td>
<td>Yandex</td>
<td>Russian Federation</td>
<td>Europe and Central Asia</td>
</tr>
<tr>
<td>90</td>
<td>MTN Mobile Money</td>
<td>MTN</td>
<td>Rwanda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>91</td>
<td>Airtel</td>
<td>Airtel (Bharti Airtel)</td>
<td>Rwanda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>92</td>
<td>MyCash</td>
<td>Digicel</td>
<td>Samoa</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>93</td>
<td>Wari</td>
<td>CSI</td>
<td>Senegal</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>94</td>
<td>Orange Money</td>
<td>Orange (Sonatel)</td>
<td>Senegal</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>95</td>
<td>Free Money</td>
<td>Free</td>
<td>Senegal</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>96</td>
<td>YUP</td>
<td>Société Générale</td>
<td>Senegal</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>97</td>
<td>Orange Money</td>
<td>Orange (Sonatel)</td>
<td>Sierra Leone</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>98</td>
<td>mCash</td>
<td>SingTel</td>
<td>Singapore</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>99</td>
<td>ZAAD Services</td>
<td>Telesom, Somaliland</td>
<td>Somalia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>100</td>
<td>SAHAL Service</td>
<td>Golis Telecom</td>
<td>Somalia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>101</td>
<td>E-Dahab</td>
<td>Somtel</td>
<td>Somalia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>102</td>
<td>m-GURUSH</td>
<td>Trinity Technologies</td>
<td>South Sudan</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>103</td>
<td>eZ Cash</td>
<td>Dialog (Axiata)</td>
<td>Sri Lanka</td>
<td>South Asia</td>
</tr>
<tr>
<td>104</td>
<td>ezyPesa</td>
<td>Zantel (Etisalat)</td>
<td>Tanzania</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>105</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Tanzania</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>106</td>
<td>Tigo Pesa</td>
<td>Tigo (Millicom)</td>
<td>Tanzania</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>107</td>
<td>Vodacom M-Pesa</td>
<td>Vodacom (Vodafone)</td>
<td>Tanzania</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>108</td>
<td>TrueMoney Wallet</td>
<td>True Move (True Corporation)</td>
<td>Thailand</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>109</td>
<td>Moov Money</td>
<td>Moov Africa Togo</td>
<td>Togo</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>110</td>
<td>MyCash</td>
<td>Digicel</td>
<td>Tonga</td>
<td>East Asia and Pacific</td>
</tr>
<tr>
<td>111</td>
<td>M-Sente</td>
<td>UT Mobile (Uganda Telecom)</td>
<td>Uganda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>112</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Uganda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td></td>
<td>Mobile Money Service</td>
<td>Operator</td>
<td>Country</td>
<td>Region</td>
</tr>
<tr>
<td>---</td>
<td>---------------------</td>
<td>----------</td>
<td>-------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>113</td>
<td>MTN Mobile Money</td>
<td>MTN</td>
<td>Uganda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>114</td>
<td>MCash</td>
<td>MobiCash</td>
<td>Uganda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>115</td>
<td>Micropay Mobile</td>
<td>Micropay</td>
<td>Uganda</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>116</td>
<td>NOW Money</td>
<td></td>
<td>United Arab</td>
<td>Middle East and North</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Emirates</td>
<td>Africa</td>
</tr>
<tr>
<td>117</td>
<td>eWallet</td>
<td>Digital Financial</td>
<td>United Arab</td>
<td>Middle East and North</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Services</td>
<td>Emirates</td>
<td>Africa</td>
</tr>
<tr>
<td>118</td>
<td>Airtel Money</td>
<td>Airtel (Bharti Airtel)</td>
<td>Zambia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>119</td>
<td>MTN Mobile Money</td>
<td>MTN</td>
<td>Zambia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>120</td>
<td>Zoona</td>
<td>Zoonal</td>
<td>Zambia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>121</td>
<td>Zamtel Kwacha</td>
<td>Zamtel</td>
<td>Zambia</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>122</td>
<td>Ecocash</td>
<td>Econet Wireless</td>
<td>Zimbabwe</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>123</td>
<td>OneMoney</td>
<td>NetOne</td>
<td>Zimbabwe</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>124</td>
<td>TeleCash</td>
<td>Telecel (ZARNet)</td>
<td>Zimbabwe</td>
<td>Sub-Saharan Africa</td>
</tr>
</tbody>
</table>
Appendix 4.1: Questionnaire for online survey

1. BACKGROUND INFORMATION

Q1. INVITATION TO PARTICIPATE IN RESEARCH PROJECT

Title of PhD research: The role of international mobile remittances in promoting financial inclusion and development. A case study of Zimbabwean migrants and diaspora in the United Kingdom.

Name of PhD student: Alois Nyanhete
Educational institution: The Open University, Milton Keynes, United Kingdom

Dear Sir/ Madam,

You are invited to participate in this academic research for a doctoral degree. The research focuses on a technological innovation that enables the money migrants send home to be received on the mobile phone wallet of the recipient. An example of this service is EcoCash Diaspora which is offered by Econet Wireless Zimbabwe through partners like WorldRemit, Cassava Remit, Western Union etc. The research aims to investigate the effect of international mobile remittances on access to and usage of formal financial services by Zimbabwean senders and recipients of remittances.

Uses of the research:
The data is being collected as part of an academic research. The data will therefore be analysed and reported in the student’s thesis. In addition to this, the results may also be published in peer-reviewed journals and presented at academic and policy conferences. Furthermore, the results may also be shared with governments, mobile network operators, and financial institutions so they could use them to improve the provision of financial services.

Confidentiality is a priority. All the information you provide will be securely stored. The information will be kept strictly private and confidential, and will not be passed on to anyone else, in accordance with the United Kingdom Data Protection Act of 1998. Your name and details will be completely anonymized before any of the data is published.

How you can take part:
To participate, please answer the questions that are presented below. It takes approximately 10 minutes to complete the survey. You are free to decline to answer any questions that you may feel uncomfortable with. Furthermore, you are free to terminate the survey at any point without giving a reason for your withdrawal. We need your consent in order for you to take part in the study.

Consent statement
I) I consent to participate in this project the details of which have been provided above.
II) I understand that my participation will involve answering questions in a survey. I agree that the researcher may use the results as described above.
III) I acknowledge that:
a. My participation in this study is voluntary.
b. Once I have given my consent, I may withdraw at any time during the project up until the 30th of November 2018 when the data collected is expected to have been fully anonymized and the raw data would have been destroyed.

c. The information that I provide can be used for educational or research purposes, including publication.

d. The project is for the purpose of an academic (doctoral) research. The confidentiality of the information I provide will be fully safeguarded and my privacy will be protected. If necessary any data from me will be anonymized and referred to by a pseudonym in any publications arising from the research.

IV) I consent for my anonymized data to be deposited in a publicly accessible archive in the United Kingdom.

V) I understand that a summary copy of the research findings will be forwarded to me, should I request for this.

Should you wish to discuss this research further or receive assurances about the nature of the research project, please contact the undersigned.

Alois Nyanhete; Department of Social Policy and Criminology; Faculty of Arts and Social Sciences; The Open University; United Kingdom. Tel: +44 744 397 8876 or 01908 653902; Email: alois.nyanhete@open.ac.uk

Information about how to complete the survey:
Please indicate your responses by ticking the box next to the response you would have chosen.

Q2. By agreeing to participate in the study you are confirming that you are at least 18 years of age and you have read and understood the consent statement.

☐ Yes, I have read the consent statement.

Q3. I wish to receive a copy of the summary project report on the research findings

☐ Yes
☐ No

Q4. Please select your gender from the options below.

☐ Male
☐ Female
☐ Prefer not to say

Q5. Please select your age group from the options below.

☐ 20 years and below
☐ 21 to 30 years
☐ 31 to 40 years
☐ 41 to 50 years
☐ 51 to 60 years
☐ 61 to 70 years
☐ 70 years and above
Q6. Please select your marital status from the options below.
- □ Never married before
- □ Married
- □ Divorced or separated

Q7. Please choose the highest level of education you have attained from the options below.
- □ High school or Secondary school
- □ College
- □ University Bachelor or Postgraduate Degree
- □ Other. Please specify in the space provided below:
  ____________________________________
  ____________________________________

Q8. Please specify your current occupation in the space provided below.

___________________________________________________________________

Q9. On average, what is the total amount of money (after tax) that you earn in any given month? Please select one of the options given below.
- □ £500 and below
- □ £501 to £1000
- □ £1 001 to £1 500
- □ £1 501 to £2 000
- □ £2 000 to £2 500
- □ £2 501 to £3 000
- □ £3 001 and £3 500
- □ £3 501 to £4 000
- □ £4 000 and above
- □ Other. Please specify in GBP in the space provided below:
  ___________________________________________________________________

Q10. Please indicate the year in which you first migrated to the United Kingdom in the space given below. Alternatively if you were born in the United Kingdom, please note this down in the same space provided below.

___________________________________________________________________
Q11. Do you ever send money abroad to support relatives or friends in Zimbabwe or elsewhere in the world?

☐ Yes
☐ No

—if your answer to this question (i.e. no. 11) is YES, please proceed to answer question 12 and the subsequent questions.

—if your answer to question 11 is NO please skip the next question(s) and go to Question 21 and the subsequent questions.

2. SENDING REMITTANCES

Q12. What is the relationship between you and the person(s) you send money to most of the time? Please choose from the options given below. You may choose multiple options.

☐ Wife
☐ Husband
☐ Mother
☐ Father
☐ Brother
☐ Sister
☐ Cousin
☐ Aunt
☐ Uncle
☐ In-laws
☐ Friend
☐ Colleague
☐ Community member
☐ Other. Please specify in the space provided below:

___________________________________________________________________

Q13. In which country does the person(s) you send money to live? Please select from the options below. You may indicate more than one option if you send money to people in various countries.

☐ Zimbabwe
☐ South Africa
☐ Malawi
☐ Botswana
☐ Mozambique
United States of America
☐ Australia
☐ Other. Please specify in the space provided below:

Q14. How frequently do you send the money abroad? Please choose from the options given below.
☐ At least once per week
☐ At least once in two weeks
☐ At least once per month
☐ At least once in 3 months
☐ At least once in 6 months
☐ At least once per year
☐ I do so but very rarely
☐ Other. Please specify in the space provided below:

Q15. On average, how much money do you send per transaction? (NB: values are in GBP).
☐ £50 and below
☐ £51 to £100
☐ £101 to £150
☐ £151 to £200
☐ £201 to £250
☐ £251 to £300
☐ Above £300. Please specify actual amount in the space provided below:

Q16. Please indicate the transfer methods you frequently use to send money abroad i.e. the ones you regularly use (You may choose multiple options).
☐ Cash collection method i.e. the money is collected in cash from Western Union, Moneygram, Mukuru etc
☐ Mobile money i.e. the money is delivered to the mobile money wallet of the recipient e.g. the EcoCash or TeleCash wallet in Zimbabwe.
☐ Bank transfer
☐ Informal methods e.g. carrying the money in person, sending through a friend or colleague etc
☐ Other. Please specify in the space provided below:
Q17. What is the purpose for which you send the money abroad? You can select multiple options.

- Household expenses e.g. groceries, clothing, rent, water charges, electricity etc
- Education – school fees, books, pens, uniforms
- Health expenses i.e. medicines, hospital/doctor’s visits, medical aid cover
- Financial expenses e.g. repayment of loans or mortgages
- Agricultural production e.g. farming, livestock.
- Business enterprises e.g. shops
- Construction of houses or the purchase of built houses or residential stands
- Other. Please specify in the space provided below.

______________________________

**NB: Questions 18 to 20 below refer to money that is sent to Zimbabwe only.**

Q18. What kind of area does the person(s) you send money to in Zimbabwe live in? You may indicate multiple options if you send to different locations.

- Urban area
- Rural area
- Other e.g. farming estates. Please specify type of area in the space provided below:

______________________________

Q19. What is the gender of the person(s) you send money to in Zimbabwe?:

- Male
- Female
- Both e.g. when sending to different recipients.

Q20. In a normal month, on average, what is the total amount of money that the household you send remittances to in Zimbabwe earns or lives on?

- $50 and below
- $51 to $100
- $101 to $150
- $151 to $200
- $201 to $250
- $251 to $300
- $300 to $350
- $351 to $400
- $401 to $450
3. INTERNATIONAL MOBILE REMITTANCES

Q21. In this research, international mobile remittances refers to money that is sent from abroad and received on the mobile money wallet of the recipient e.g. it is received on the EcoCash or TeleCash account of a recipient in Zimbabwe. International mobile remittances can be sent from the United Kingdom to Zimbabwe through service providers like WorldRemit and Cassava Remit amongst others. Please select the response that best matches you from the options below:

☐ I have used the international mobile remittances service before (Please proceed to answer question 19 and the subsequent questions).
☐ I have heard of the international mobile remittances service but never used it (Please skip the following question and go to Question 20 and the subsequent questions).
☐ I have never heard of the international mobile remittances service before (Please skip the following question and go to Question 20 and the subsequent questions).

Q22. What is the location of the person(s) you send international mobile remittances to in Zimbabwe i.e. the name of the place they live in e.g. Harare, Chiredzi, Mhondoro, Rusape etc? You may indicate multiple locations if necessary.

4. IN-KIND REMITTANCES

Q23. Do you ever send other forms of support which are not cash to people back home or abroad i.e. non-monetary support like food or clothing? Alternatively, do you ever give advice or emotional support to people back home or elsewhere abroad?

☐ Yes
☐ No

— If your answer to this question (i.e. no. 23) is YES, please proceed to answer question 24 and the subsequent questions.
— If your answer to question 23 is NO please skip the next question(s) and go to Question 25 and the subsequent questions.

Q24. Which forms of non-monetary support do you give to people back home or elsewhere abroad? Please select from the options provided below. You may indicate multiple options.

☐ Clothing and shoes
Q25. Do you ever enter into agreements to offset payments with relatives, friends, or other contacts in Zimbabwe? This is whereby the person in Zimbabwe makes a payment or transfers money to a recipient in Zimbabwe on your behalf in exchange for you making a payment or transferring money for them here in the United Kingdom or elsewhere abroad.

- Yes
- No

If your answer to this question (i.e. no. 25) is YES, please proceed to answer question 26 and the subsequent questions.

If your answer to question 25 is NO please skip the next question(s) and go to Question 27 and the subsequent questions.

Q26. How frequently do you enter into agreements to make offsetting payments i.e. making a payment here in the UK or elsewhere abroad on behalf of someone in Zimbabwe who will in exchange make a payment to a recipient in Zimbabwe on your behalf?

- At least once a month
- At least once in 3 months
- At least once in 6 months
- At least once per year
- I do so but very rarely
- Other. Please specify in space provided below.

5. INTRA-DIASPORIC AND REVERSE REMITTANCES

Q27. Are any of the members of your family or your siblings living in other foreign countries other than the United Kingdom? That is, do you have any family members or siblings living in countries like South Africa, Malawi, Botswana, United States of America, Australia or any other country worldwide?

- Yes
- No

If your answer to this question (i.e. no. 27) is YES, please proceed to answer question 28 and the subsequent questions.

If your answer to question 27 is NO please skip the next question(s) and go to Question 30 and the subsequent questions.
Q28. Please indicate the other foreign country/countries that the other members of your family or your siblings who are also abroad live in. You may indicate multiple options on the list provided below.

- South Africa
- Malawi
- Botswana
- Mozambique
- United States of America
- Australia
- Other. Please specify in the space provided below.

___________________________________________________________________

Q29. To the best of your knowledge, do the other members of your family or your siblings who are living in other foreign countries regularly send money back home to Zimbabwe?

- Yes
- No
- Not sure

Q30. Do you regularly receive money from outside the United Kingdom e.g. from family members, friends or colleagues in other parts of the world or from Zimbabwe?

- Yes
- No

- If your answer to this question (i.e. no. 30) is YES, please proceed to answer question 31 and the subsequent questions.
- If your answer to question 30 is NO please skip the next question(s) and go to Question 35 and the subsequent questions.

Q31. In which country/countries do the person(s) who regularly send you money live? You may indicate multiple countries from the list provided below.

- Zimbabwe
- South Africa
- Malawi
- Botswana
- Mozambique
- United States of America
- Australia
- Other. Please specify in the space provided below.

___________________________________________________________________
Q32. What is the relationship between you and the person(s) who sends you the money? Please choose from the options provided below. You may choose multiple options.

☐ Wife
☐ Husband
☐ Mother
☐ Father
☐ Brother
☐ Sister
☐ Cousin
☐ Aunt
☐ Uncle
☐ In-laws
☐ Friend
☐ Colleague
☐ Community member
☐ Other. Please specify in the space provided below.
___________________________________________________________________

Q33. On average how much money do you receive from abroad per transaction? Please choose from the options provided below.

☐ £100 and below
☐ £101 to £200
☐ £201 to £300
☐ £301 to £400
☐ £401 to £500
☐ Above £500. Please specify the actual amount in GBP in the space provided below.
___________________________________________________________________

Q34. How frequently do you receive the money from abroad? Please choose from the options given below.

☐ At least once per week
☐ At least once in two weeks
☐ At least once per month
☐ At least once in 3 months
☐ At least once in 6 months
At least once per year
☐ Other. Please specify in the space provided below:

Q35. Do you ever receive other forms of support which are not cash from family members, friends or colleagues in other parts of the world i.e. non-monetary support like clothing? Alternatively, do you ever receive advice or emotional support from people elsewhere abroad or from Zimbabwe?
☐ Yes
☐ No
— If your answer to this question (i.e. no. 35) is YES, please proceed to answer question 36 and the subsequent questions.
— If your answer to question 35 is NO please skip the next question(s) and go to Question 37 and the subsequent questions.

Q36. Which forms of non-monetary support do you receive from abroad? Please select from the options provided below. You may indicate multiple options.
☐ Advice on important issues including financial matters
☐ Emotional support
☐ Clothing and shoes
☐ Other. Please specify in the space provided below:

5. FINANCIAL CAPABILITY

NB: The following questions relate to the use of financial services.

Q37. Please indicate which of the following financial products you currently hold or have recently held. You may choose multiple options.
☐ Investments e.g. unit trust or investment trust, investment bond, stocks and shares or an endowment policy that was not linked to a mortgage
☐ Mortgage
☐ Life insurance, payment or income protection insurance, critical illness insurance
☐ A credit card
☐ A loan or other type of credit agreement
☐ General insurance e.g. car insurance, home insurance or private medical or dental insurance
☐ A savings account
☐ A current account
☑ Other. Please specify:

________________________________________________________________________________________________________________________________________________________________________________________________________

☑ None. I neither currently hold nor have recently held any financial products.

Q38. Please indicate any financial services that you have purchased on the internet or have used online from the list below (You may choose multiple options).

☐ Credit card
☐ A loan or other type of credit agreement
☐ Insurance e.g. car insurance, home insurance, travel insurance or private medical or dental insurance
☐ Payments e.g. PayPal, Samsung Pay, Apple Pay
☐ Other. Please specify:

________________________________________________________________________________________________________________________________________________________________________________________________________

☑ None. I have never purchased or used financial services online.

Q39. "Financially capable people are able to make informed financial decisions. They are numerate and can budget and manage money effectively. They understand how to manage credit and debt. They are able to assess needs for insurance and protection. They can assess the different risks and returns involved in different saving and investment options. They have an understanding of the wider ethical, social, political and environmental dimensions of finances" (Kempson et al., 2005 p.13).

How would you rate your own level of financial capability?

☐ Excellent
☐ Good
☐ Average
☐ Poor
☐ Terrible

Q40. Please justify the rating level you chose in the previous question i.e. why do you think that rating best reflects your level of financial capability?

________________________________________________________________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________________________________________________________________

Q41. Thank you very much for completing this survey. The responses you have given are confidential and will not be shared or disclosed to anyone else.

In the second phase of this research I will be conducting individual interviews and group discussions. I am kindly requesting for your participation in the second stage which will be conducted between 01 April and 31 May 2018.
If you are willing to participate in either the individual interviews or group discussions that will be conducted in the second phase, may you kindly fill in your contact details in the space provided below. I will use the details to contact you and they will not be shared with anyone else or used for any other purposes.

First name: ______________________________________________________

Mobile number: __________________________________________________

Email address: ____________________________________________________

Name of place you live in the UK: ____________________________________
Appendix 4.2: Guide for semi-structured interviews

1) Which channel(s) do you prefer to send remittances to Zimbabwe through and how did you develop this preference?

PROMPT:
Find out whether respondent could be using multiple channels simultaneously and why. Are they using different transfer mechanisms for people with different needs? Do they use international mobile remittances for small amounts and cash collection for bigger sums?

2) How would you rate the usefulness of international mobile remittances in comparison to the other remittance channels that are available for sending or receiving money (in Zimbabwe’s case)? Please discuss the experiences that have shaped your preferences.

NB: Discuss perspectives of both sending and receiving.

3) How would you rate the cost of the international mobile remittances service when compared to other remittance channels available for sending or receiving money (in Zimbabwe’s case)?

NB: Discuss perspectives of both sending and receiving.

PROMPT:
- Cost represents the total cost incurred by clients who use the service. It is the sum of price costs and transaction costs. In this research price costs are service charges or fees paid by users to money transfer organisations including cash-out fees for mobile money. Transaction costs are non-price costs for both non-cash opportunity costs - such as the time consumed while completing the transaction particularly cashing-out or while making e-payments for services - and indirect cash expenses e.g. transport to money transfer organisation or mobile money agent (modified from Schreiner, 2002 p.593).

4) Basing on your experiences, did the ability to use electronic devices and online platforms have an effect on your willingness to adopt international mobile remittances or mobile money services in general? Does this also apply to the people you send remittances to?

PROMPTS:
- Effect of old age i.e. older people may be reluctant to adopt the service.
- Transactions conducted by other family members or mobile money agents rather than the actual person sending or receiving the money.
5) a. Have you or the people you send remittances to in Zimbabwe faced any challenges with accessing formal financial services before? Please note this question refers to formal financial services in general.

PROMPTS: - High costs, lack of documentation, lack of trust, distance i.e. service providers are too far away.

b. Have international mobile remittances helped you or the people you send remittances to in Zimbabwe overcome the barriers you discussed and be able to access formal financial services?

PROMPTS: Dependence on informal services e.g. omalayisha; Possible spill-over effects.

6) In what ways, if any, has using the international mobile remittances service led you to use other formal financial services too?

PROMPTS:
- Use of digital financial services.
- Has using international mobile remittances led you to use other services too which may not be financial?

7) Do you send monetary remittances to other countries that are not Zimbabwe? If yes, which countries are these? To whom do you send the money? What is the purpose for which you send the money? Which money transfer mechanisms do you use to send the money.

Note for interviewee: The remaining questions are about remittances in general and are not limited to international mobile remittances only.

8) How has sending remittances either positively or negatively affected the manner in which you manage money?*

a. Are you able to plan or budget your expenditures or have you been forced to neglect doing this so you can keep sending remittances?

b. Are you able to keep up with the other bills and credit commitments that you have to settle here in the United Kingdom?

PROMPTS:
- Do you ever run out of money or have to use a credit card or overdraft in order to be able to keep sending remittances.

c. Have you experienced any problems of over-indebtedness because of the need to send remittances?

9) How has sending remittances either positively or negatively affected the manner in which you plan ahead for your finances?*

a. Are you able to keep some money saved for a rainy day?

PROMPTS:
- Are you unable to work because of unemployment, sickness, or disability.
b. Are you able to make adequate provisions for retirement?

10) In what ways, if any, has sending remittances influenced the manner in which you choose financial products?*

PROMPTS:
- Do you now realise the need to shop around for the best deals available when choosing financial products so you can save on costs?
- Do you compare the available options before sending remittances e.g. Western Union, Mukuru etc and choose the best deal?
- Do you compare available options when purchasing other financial products e.g. insurance?

11) In what ways, if any, has sending remittances influenced the manner in which you stay informed about issues that affect your finances?*

a. Has sending remittances made you watch financial markets more closely e.g. foreign exchange rates so you can always time your transactions carefully?
b. Do you understand the hidden costs in sending remittances and issues related to transparency in pricing e.g. 0% commission offers or the effect of the exchange rate on total costs? Do you know how to verify the true costs?
c. Do you follow developments in remittance-sending mechanisms or services so you can always choose the best way to send remittances?
d. In what ways, if any, have your experiences in questions a to c above influenced the manner in which you choose and use other financial services too e.g. credit or investment?

Questions with an asterisk (*) were adapted from the studies by Kempson et al. (2005) and Atkinson (2011).

12) Do you receive monetary remittances from abroad? If yes, may you please answer the following:
   a. What is the purpose you receive the money for?
   b. Through which channels or money transfer mechanisms do you receive the money?

13) Do you receive non-monetary remittances from abroad? If yes, please discuss the forms of non-monetary remittances that you receive.

PROMPT:
Follow up on respondants that indicated that they receive advice on important issues including financial issues. Do they indeed get advice on financial issues?
Appendix 4.3: Coding scheme for semi-structured interviews

1. Benefits derived by Zimbabwean senders of remittances living in the UK from using MIR to send or receive remittances from abroad.

2. Drawbacks to Zimbabwean senders of remittances living in the UK from using MIR to send or receive remittances from abroad.

3. Adoption of additional financial services by Zimbabwean senders of remittances living in the UK as a result of sending remittances abroad.
   a. Positive i.e. using MIR leads to adoption of other services
   b. Negative i.e. using MIR has no effect

4. Sending intra-diasporic remittances.

5. Receiving reverse remittances.

6. Effects of sending remittances on the financial capabilities of Zimbabwean senders of remittances living in the UK according to Kempson et al. (2005) dimensions of financial capability.

   A. Effects of sending remittances on managing money:
      a) Budgeting
         i. Positive
         ii. Negative
         iii. No effect

      b) Making ends meet
         i. Positive
         ii. Negative
         iii. No effect

   B. Effects of sending remittances on planning ahead:
      a) Saving
         i. Positive
         ii. Negative
         iii. No effect

      b) Making provisions for retirement:
         i. Positive
         ii. Negative
         iii. No effect

   C. Effects of sending remittances on choosing products:
      i. Positive
      ii. Negative
iii. No effect

D. Effects of sending remittances on getting information:

a) Following financial issues
   i. Positive
   ii. Negative
   iii. No effect

b) Understanding transparency issues in pricing for sending remittances
   i. Positive
   ii. Negative
   iii. No effect

c) Following developments or innovations in money transfer methods
   i. Positive
   ii. Negative
   iii. No effect

7. Feelings or sentiments about sending remittances abroad by Zimbabwean senders of remittances living in the UK:

a) Negative sentiments
b) Positive sentiments

8. Effects of receiving MIR on financial capabilities of recipients of remittances in Zimbabwe:

a) Positive
b) Negative

9. Giving or receiving advice about financial matters

10. Use of MIR by elderly people in Zimbabwe
    a) Elderly able to use MIR alone
    b) Elderly rely on third parties to conduct MIR transactions
Appendix 4.4: Consent form

Department of Social Policy and Criminology
Faculty of Arts and Social Sciences, The Open University, UK

Consent form for research participants

The role of international mobile remittances in promoting financial inclusion and development.
A case study of Zimbabwean migrants and diaspora in the United Kingdom.

Name of participant: ____________________________

Name of principal investigator(s): ____________________________

1. I consent to participate in this project, the details of which have been explained to me, and I have been provided with a written statement in plain language.

2. I understand that my participation will involve answering questions in a survey, interview, or a focus group discussion. I agree that the researcher may use the results as described in the project information sheet.

3. I have been informed and acknowledge that:
   a. My participation in this study is voluntary.
   b. The nature and purposes of the research project and my participation in it have been explained to me.
   c. I have been informed that once I have given my consent, I may withdraw at any time during the project, without penalty, up until the 30\textsuperscript{th} of November 2018 when the data collected is expected to have been fully anonymized and the raw data would have been destroyed.
   d. I have been assured that my privacy will be protected as specified in the project information sheet.
   e. The information that I provide can be used for educational or research purposes, including publication.
   f. I have consented for my anonymized data to be deposited in a publicly accessible archive in the United Kingdom.
   g. The possible effects of participating in this research have been explained to my satisfaction.
   h. The project is for the purpose of academic (doctoral) research.
   i. I have been informed that the confidentiality of the information I provide will be fully safeguarded.
   j. If necessary any data from me will be referred to by a pseudonym in any publications arising from the research.
   k. I have been informed that I will not be offered payment in cash or in kind for participating in this research.
   l. I have been informed that a summary copy of the research findings will be forwarded to me, should I request this.

I consent to this interview or focus group discussion being audio-recorded □ yes □ no (please tick)

I wish to receive a copy of the summary project report on research findings □ yes □ no (please tick)
Participant signature: ______________________ Date: ______________________

Details of investigator:
Alois Nyanhete; Department of Social Policy and Criminology; Faculty of Arts and Social Sciences; The Open University; United Kingdom. Tel: +44 744 397 8876; Email: alois.nyanhete@open.ac.uk

Details of supervision team
Professor Nicola Yeates; Department of Social Policy and Criminology; Faculty of Arts and Social Sciences; The Open University; United Kingdom. Tel: +44 1908 652441; Email: n.yeates@open.ac.uk

Dr. Cristina Santos; Department of Economics; Faculty of Arts and Social Sciences; The Open University; United Kingdom. Tel: +44 1908 654556; Email: cristina.santos@open.ac.uk

Dr. Ben Lampert; Development Policy and Practice; Faculty of Arts and Social Sciences; The Open University; United Kingdom. Tel: +44 1908 655434; Email: ben.lampert@open.ac.uk
Appendix 4.5: Approval from OU-HREC

Human Research Ethics Committee (HREC)

From: Dr Duncan Banks
The Open University Human Research Ethics Committee

Email: Duncan.banks@open.ac.uk
Extension: (6) 59190

To: Alois Nyanhete

Project title: The role of international mobile remittances in promoting financial inclusion and development: A case study of Zimbabwean migrants and diaspora in the United Kingdom.

HREC ref: HREC/2531/Nyanhete/1
AMS ref: 

Memorandum

Date application submitted: 13/12/2017
Date of HREC response: 02/01/2018

This memorandum is to confirm that the amendment to the above-named research project, as submitted to the OU HREC has been given a favourable opinion by Chair’s action.

Please note the following:

1. You are responsible for notifying the HREC immediately of any information received by you, or of which you become aware which would cast doubt on, or alter, any information contained in the original application, or a later amendment which would raise questions about the safety and/or continued conduct of the research.

2. It is essential that any proposed amendments to the research are sent to the HREC for review, so they can be recorded and a favourable opinion given prior to any changes being implemented (except only in cases of emergency when the welfare of the participant or researcher is or may be affected).

3. Please include your HREC reference number in any documents or correspondence, also any publicity seeking participants or advertising your research, so it is clear that it has been reviewed by HREC and adheres to OU ethics review processes.

4. You are authorised to present this memorandum to outside bodies such as NHS Research Ethics Committees in support of any application for future research clearance. Also, where there is an external ethics review, a copy of the application and outcome should be sent to the HREC.

5. OU research ethics review procedures are fully compliant with the majority of grant awarding bodies and where they exist, their frameworks for research ethics.

6. At the end of your project, you are required to assess your research for ethics related issues and/or major changes. Where these have occurred you will need to provide the Committee with a HREC final report to reflect how these were dealt with using the final

www.open.ac.uk/research/ethics/ November 2017

322

Best regards

Dr Duncan Banks
The Open University Human Research Ethics Committee
## Appendix 5.1: Combinations of transfer methods used by survey respondents

<table>
<thead>
<tr>
<th>Transfer method(s)</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Collection only</td>
<td>125</td>
</tr>
<tr>
<td>Cash collection and MIR only</td>
<td>71</td>
</tr>
<tr>
<td>MIR only</td>
<td>42</td>
</tr>
<tr>
<td>Cash collection, MIR and Informal methods only</td>
<td>25</td>
</tr>
<tr>
<td>Cash collection and Informal methods only</td>
<td>11</td>
</tr>
<tr>
<td>Cash collection, MIR and Bank transfer only</td>
<td>9</td>
</tr>
<tr>
<td>All transfer methods</td>
<td>8</td>
</tr>
<tr>
<td>Cash collection and Bank transfer Only</td>
<td>8</td>
</tr>
<tr>
<td>MIR and Bank transfer only</td>
<td>6</td>
</tr>
<tr>
<td>Informal methods only</td>
<td>6</td>
</tr>
<tr>
<td>MIR and Informal methods only</td>
<td>5</td>
</tr>
<tr>
<td>Bank Transfer only</td>
<td>3</td>
</tr>
<tr>
<td>MIR, Bank transfer and Informal methods Only</td>
<td>2</td>
</tr>
<tr>
<td>Bank transfer and informal methods only</td>
<td>1</td>
</tr>
<tr>
<td>Cash collection, Bank transfer and Informal methods Only</td>
<td>1</td>
</tr>
</tbody>
</table>

*Source: Author’s survey (2018)*
Appendix 5.2: Tests for association between the transfer methods used and sending remittances to rural areas

5.2.1 Crosstabulation between using multiple transfer methods and sending to rural areas

<table>
<thead>
<tr>
<th>Respondent uses multiple transfer methods</th>
<th>Sends remittances to rural areas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses multiple transfer methods</td>
<td>Yes</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>159</td>
</tr>
<tr>
<td>Does not use multiple transfer methods</td>
<td>Yes</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>167</td>
</tr>
<tr>
<td>Total</td>
<td>Yes</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>196</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>326</td>
</tr>
</tbody>
</table>

Source: Author’s survey (2018)

5.2.2 Results of tests for association between using multiple transfer methods and sending remittances to rural areas

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9.465*</td>
<td>1</td>
<td>.002</td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>326</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 63.40.

5.2.3 Odds ratio for tests for association between using multiple transfer methods and sending remittances to rural areas

<table>
<thead>
<tr>
<th>Risk Estimate</th>
<th>Value</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odds Ratio for Respondent uses multiple transfer methods (Uses multiple transfer methods / Does not use multiple transfer methods)</td>
<td>2.020</td>
<td>1.287 - 3.169</td>
</tr>
<tr>
<td>For cohort Sends remittances to rural areas = Yes</td>
<td>1.526</td>
<td>1.160 - 2.007</td>
</tr>
<tr>
<td>For cohort Sends remittances to rural areas = No</td>
<td>.755</td>
<td>.629 - .907</td>
</tr>
<tr>
<td>Number of Valid Cases</td>
<td>326</td>
<td></td>
</tr>
</tbody>
</table>
## 5.2.4 Results of tests for association between using MIR and sending remittances to rural areas

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>.348*</td>
<td>1</td>
<td>.555</td>
<td></td>
</tr>
<tr>
<td>Number of Valid Cases</td>
<td>326</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 16.75.

## 5.2.5 Results of tests for association between using cash-collection and sending remittances to rural areas

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>2.199*</td>
<td>1</td>
<td>.138</td>
<td>.164</td>
</tr>
<tr>
<td>Number of Valid Cases</td>
<td>347</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 33.86.
Appendix 6.1: Histogram showing the amount of remittances sent annually

Appendix 6.2: Locations of respondents' relatives in other parts of Zimbabwean diaspora

Source: Author's survey (2018)
### Appendix 7.1: Groups of respondents based on use of MIR

<table>
<thead>
<tr>
<th>Respondent</th>
<th>MIR</th>
<th>CC</th>
<th>BT</th>
<th>IF</th>
<th>Respondent</th>
<th>MIR</th>
<th>CC</th>
<th>BT</th>
<th>IF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rachel</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Faith</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Paul</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>Samantha</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Tariro</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>Siphosenkosi</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Honest</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nyasha</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brian</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anesu</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wiseman</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanaka</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martin</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nicholas</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nkosinathi</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charles</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kelvin</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jabulani</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stanley</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ernest</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qiniso</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonkululeko</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confidence</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s semi-structured interviews 2018, n=23

**Key:**
- MIR – Mobile money-enabled international remittances; CC – cash-collection method;
- BT – bank transfer method; IF – informal method