

## Original Research Article

## Financial Inclusion Policy and the Expansion of Mobile Currencies: Between Challenges and Risks

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**Abstract:** In many emerging countries, the use of mobile phones in a variety of commercial transactions is becoming widespread. The development of this sector in Côte d'Ivoire is particularly important as cities seek to make the most of this new opportunity. For small businesses, mobile phone solutions facilitate money transfers and financial inclusion. However, between fiat and non-cash money, this new means of payment, issued by a private system, raises questions about the impact on the monetary base and the regulatory framework. This study analyses the adoption of mobile financial services in Daloa, located in the centre-west of Côte d'Ivoire, and its impact on the financial behaviour of users. It was based on documentary research, a questionnaire survey (64 people - payphone employees and mobile money subscribers), direct observation and interviews using the mixed method. This paper, while presenting mobile money payment facilities, draws the attention of users and policy makers to the risks of their creation and expansion, so that policy makers find regulatory responses to the challenges and issues of introducing these new mobile money services systems. Ultimately, we question whether the use of mobile currencies contributes to real financial inclusion.

**Keywords:** Expansion, Mobile Currencies, Issues, Risks.

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### I-INTRODUCTION

Mobile money, which originated as a pilot project in Kenya in 2005, is currently proliferating rapidly in Africa, reflecting the need of Africans for express money or electronic money. Between fiat and book money, this emerging means of payment, issued by a private system, raises questions about its regulatory framework and impact on the monetary base.

In Africa, in general, scriptural currencies are little used compared to fiduciary money, and it is to fiduciary money that mobile money is being substituted. For Shreft (1997), mobile money is not very different from fiat money; it is simply the mobile or electronic equivalent of notes and coins. Indeed, the rise of this sector has left no one indifferent, so much so that the Professional Association of Banks and Financial Institutions of Côte d'Ivoire (APBEF-CI) spoke of the meteoric rise of mobile banking, whose penetration rate (80%) is more powerful than that of traditional banks (14%). Digital currencies are once again in the spotlight (Alain Laurent and Virginie Monvoisin, 2015).

Mtn money, Orange money and Moov money have been growing rapidly in recent years in Côte d'Ivoire. These structures have a total of 30,899,698 mobile subscribers, including 7,964,826 mobile money subscribers in 2017 and 40,919,555 mobile subscribers in 2021, including 20,789,662 mobile subscribers (ARTCI 2017, 2021). Specialised in issuing and withdrawing money, these places are taken by storm by a good number of Ivorians who see this new form of financial transaction as a more practical method, better adapted to their realities.

Considered an impressive tool for financial inclusion and one of the best means of financing the economy that Africa, in general, and Côte d'Ivoire, in particular, has managed to achieve, mobile transactions bring in an average of 7 to 8 billion CFA francs a day for the country, for 7 million people using this method of payment out of 21 million mobile phone subscribers. This is a good provisional result for the Ministry of Post and Information and Communication Technologies in its ICT promotion policy.

This article analyses the adoption of mobile financial services in Côte d'Ivoire, particularly in Daloa, and its impact on the financial behaviour of users. Specifically, the article first presents the relationship between the population and the banks, then looks at the challenges and impacts of the expansion of mobile currencies and, finally, shows the risks associated with the creation and expansion of mobile currencies.

This study is part of a mixed (qualitative and quantitative) approach and we used desk research, direct observation, questionnaires and individual interviews as techniques to conduct it. The survey was administered to 64 people in order to analyse the adoption of mobile banking in Daloa.

The work is structured in three parts. Firstly, it deals with the relationship between the population and ordinary banks, then it analyses the issues and impacts of the expansion of mobile currencies, and finally it highlights the risks associated with the creation and expansion of mobile currencies, while concluding whether this contributes to real financial inclusion.

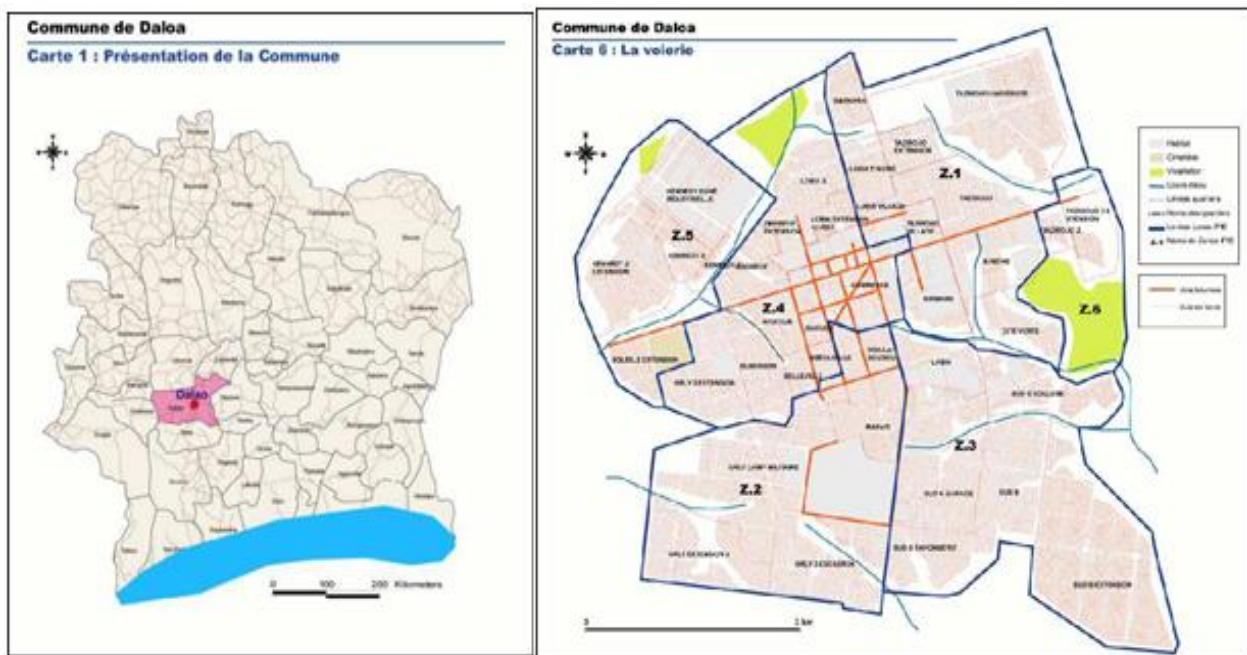
## II-METHODOLOGY

### 1-Collection techniques and tools

This study uses qualitative and quantitative data from a field survey. Comprehensive interviews (Kaufman, 2001) and semi-structured interviews were conducted. The sample of 64 individuals interviewed included 16 service and office workers, 4 uniformed personnel (gendarmes, police and military), 5 students, 7 teachers, 13 traders, 10 mobile money kiosk workers, 3 seamstresses, 2 unemployed people and 4 farmers. The surveys took place mainly in the commune of Daloa. The data collected was subjected to a lexicothematic content analysis.

For this work, we opted for convenience sampling, which is a non-probability sampling technique. We interviewed 64 people, all mobile money users. The data collected was processed using Sphinx 5.1 software. The information thus processed was used to prepare this document.

**Map: presentation of the commune of Daloa in the Haut-Sassandra region**



Source: Mairie de Daloa, « Info Daloa »

### 2-Theoretical foundations for data analysis

Our reflection on the expansion of mobile currencies is in line with the perspective of Weberian comprehensive sociology of exchange, one of the versions of microsociology that explains the complexity of social action, which brings us closer to our objective. It allows us to understand the action of the social actor in the choice of the deposit of his money which seems to meet his needs if his behaviour, although rational, is sometimes subject to routine and influence.

The theory of exchange is recognised in the field of sociology thanks to the work of Georges Homans (1958): this theory interprets social behaviour and human interactions on the model of economic exchange. In other words, for this theory, it is necessary to analyse interactions between individuals and between groups of actors in terms of costs and benefits.

In our reflection, in reading this theory, we try to see the stakes of the actors in the choice of Mobile Money and those of the mobile phone companies in the expansion of this form of mobile banking.

However, it is also important to understand with Neumann and Morgenstern (1944) that life is inspired by the social game, and that the logic of interactions between individuals or groups of actors must be understood. From this point of view, the analysis will attempt to account for the meeting of different actors' logics. The game theory thus formulated shows that the choice of an individual or a group of individuals and the consequences of his action interfere with those of an individual or a group of individuals. In fact, the rational calculations of individuals can be a source of perverse effects if they meet those of other individuals. We have used this theory to show how the strategies of mobile phone companies have enabled all social classes to save and become their customers, on the basis of a social guarantee that consolidates trust as a social construct.

### III-RESULTS AND DISCUSSION

#### 3-1- Relations between the population and the banks

##### 3-1-1- Relations between the population and the ordinary banks: the sometimes failing service

The surveys carried out in the city of Daloa in central-western Côte d'Ivoire show that ordinary banks are the engine of economic activity. They were the only alternative available for financial transactions. This status has been very beneficial to them and continues to be so. At the time, a large part of the population was marginalised and excluded from access to these banking structures. However, it appears that the population in general, and the clients of these banks in particular, complain about the banking service in Daloa. The criticisms made against them are of many kinds.

Among the main sources of frustration directed at the 'classic' banking networks, we find the poor quality of service, due to the lack of responsiveness and skills of the agents. Furthermore, according to respondents, the performance of these banks is considered unsatisfactory in terms of criteria considered essential. Also, one of the criticisms concerns their availability. Indeed, the banking sector professionals interviewed acknowledge that their respective institutions have only one branch each in the city of Daloa. This creates long queues in the banks, especially during sensitive periods such as the end of the month. As a result, the clients interviewed complain not only about the working hours, illustrated by statements such as:

Very complicated"; "Slow work, unavailable hours"; or even "They don't work on weekends and it makes us tired".

Or even "They don't work at weekends and that makes us tired".

But also the distances to travel to reach these banks through:

"Far from the working population" or "It depends on where you live".

In addition, bankers claim that at times customers complain about their services. In other words, the slowness that takes up a lot of customers' time. Customers complain about the equipment, such as the ATM for example. Or more precisely they say that all services are slow, and describe computer problems.

Another complaint from customers is the fees for transactions or account maintenance. These include high fees and unclear tariffs for users.

While bank managers agree that standard interest rates on loans are for the civil service 8%; businesses 8%; and others 11-13%. They also maintain that customers do not complain about the rates, they find them rather affordable. For them, the Ivorian is not interested in rates, even the intellectual.

However, the users interviewed do not entirely share this opinion. Indeed, 4/10 users find these fees "expensive" while 5/10 find them "acceptable". Regarding the costs of account maintenance, one soldier stated that:

"They offer good products, but when our money stays with them, they steal from us.

This statement shows that there are additional costs that the customer is not always aware of. This leads one petrol station employee to say:

"They are thieves. I withdraw and deposit, especially the withdrawal. I don't manage the products".

Thirdly, users' criticisms concern the conditions for opening accounts or accessing banking products. When bankers are asked, to which population are your services addressed? Or, which types of population do you most often reach? The answers are as follows:

"To everyone"; "we take from the little shoeshine boy to the ADB CEO. Everyone, except those whom society bans"; "civil servants, savers, new civil servants, everyone" or more precisely "active people (farmers, traders, housewives, civil servants, workers, etc.)".

However, when it comes to the conditions for accessing the products, distinctions begin to emerge. Thus, we note statements such as:

"Having an income, without that, there are no loans. For insurance, we take into account the age of individuals. We don't take into account the amount, there are rates that must be respected. "Here, you have to be of age, of good character (not crazy)" and "A national identity card, 25,000 CFA francs, two photos, a certificate of residence for savers.

These conditions generally represent barriers that prevent people from subscribing to banking products. Indeed, some users consider it difficult to access. Thus, one economic operator said:

"They are not nice, I can save, but they don't give me loans. The conditions are difficult to access the products.

Also a hotel manager argued that banks are made for a certain quality of people, i.e. civil servants and businessmen.

Such statements show the barrier that exists between the conditions issued by the banks and certain

users. Beyond the above statements, it should be noted that questions related to age; source of income (which must be formal, measurable or quantifiable); and the numerous files to be provided and completed do not facilitate the adhesion of certain social categories to the banking system. Customers undergo various tests when they enter into a relationship with the bank; their treatment depends on their assessment. (Jeanne Lazarus, 2012).

Despite all these criticisms, the users interviewed agree that banks offer 'good products', especially school and other loans.

**Table: Acceptability of bank interest rates**

	Office Service Officers	Dressed horn	Students	Teachers	Traders	Mobile money kiosk employees	Seamstresses	Unemployed	Farmers	Total	Percentage
Expensive costs	6	1	2	3	5	4	1	1	1	24	37.5%
Acceptable costs	10	3	3	4	8	6	2	1	3	40	62.5%

Source: Our 2020 study

**3.1.2 The relationship between the population and mobile money - financial freedom**

Since its launch in December 2008, the mobile money service has experienced rapid growth in Côte d'Ivoire. This growth is due to a favourable reception by the Ivorian population. This is, in fact, what the present study carried out in the city of Daloa shows. The users interviewed never cease to praise the benefits of Mobile Money, which we characterise as "Mobile Money". Thus, speaking of their accessibility, all users agree that Mobile Money is available everywhere, very accessible and convenient for the population. Also, they maintain that it is easy, simple and even conducive to freedom.

Moreover, with regard to distance, 80% of respondents find Mobile Money kiosks or services very accessible as illustrated by the following statements: "Closer"; "Accessible everywhere and by everyone"; "Easy, available everywhere"; etc.

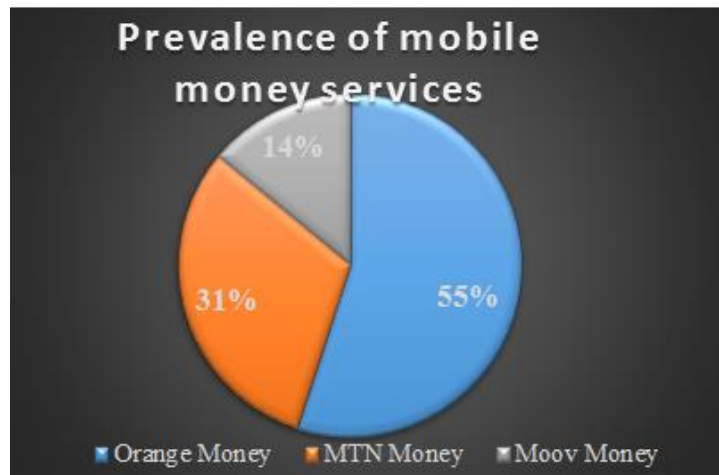
These remarks are all the more real as even the directors of ordinary banks acknowledge this. As a result, some admit that these new services are faster and available everywhere. Others argue that it is convenient for them, especially in relation to the geographical situation - mobile money kiosks are very close and diverse. Considering that the person sending the money probably has to use a mobile phone anyway to call their parents to let them know the money is coming, and

taking into account factors such as reliability, security and speed, it is clear that using mobile phones to send money is the easiest thing to do (UNCTAD, 2012).

In addition to availability, respondents emphasise the speed and ease of transactions with mobile banks. In addition to speed, around 70% of users find the transaction fees 'cheaper' and 'affordable', compared to 30% of respondents who consider mobile bank transaction fees to be 'high'.

The accessibility of the service, the speed of transactions and the affordability of transaction fees have led to a rush of people to these mobile services, which are considered to be 'proximity banks'. To explain this attitude of users, a bank manager postulates that: "Ivorians do not like to write. Some don't have identity cards, others are illiterate, and don't like to do administrative documents and some are afraid of bankers.

In this massive movement towards mobile money, there is a remarkable gap between the three telephone networks that share this market. According to the survey, the prevalence of mobile banking in Daloa is as follows: Orange money 55%, MTN Money 31% and finally Moov Money or Flooz 14%.

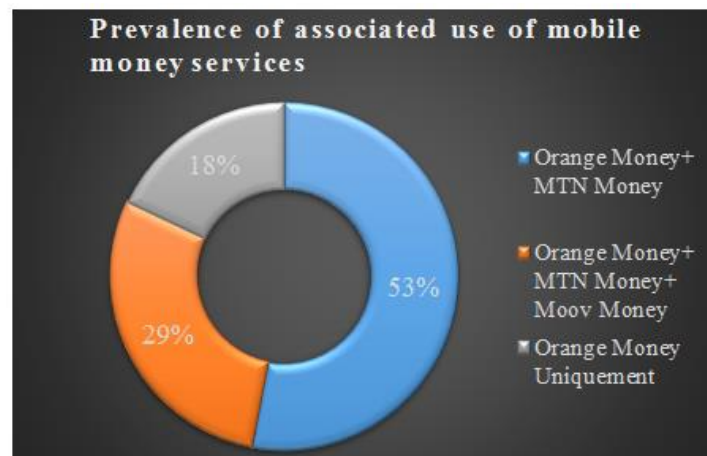


**Fig-1: Prevalence of use of mobile money services**  
 Source: Our 2020 study

It is also important to note that users combine both Orange Money and MTN Money 53% or even all three services 29%. Only 18% are loyal to Orange Money.

To justify the prevalence of Orange Money and MTN Money, a mobile money service distributor

argued that these networks are more reliable and faster. Another agent added that it depends on the demand. In view of the entire above, mobile money is highly appreciated by the people of Daloa. This appreciation is based on the availability, speed and accessibility of transaction fees.



**Fig-2: Prevalence of associated use of mobile money services\***  
 Source: Our 2020 study

### 3.1.3 Comparisons and preferences for the two types of repository.

The preference between the two types of deposit varies according to the type of respondent. At the level of the agents interviewed, each one prefers the area of banking in which they operate. Thus, all the bankers interviewed prefer ordinary banks. They justify this choice with the following opinions: "For more products, it is the ordinary banks that do the finance. As for mobile money services, it's just for spending', 'these mobile money services charge too much and their users don't realise it'. Also, this respondent emphasised that 'the bank is essential for security reasons'.

On the other hand, mobile money service agents favour mobile financial transactions, revealing that: "My bank is in my pocket, it is within my reach, fast and available"; "Since I am in the field, it facilitates my transactions" or "There are not too many gymnastics, nor the excessive constraints of banks to get my money back". Only one mobile money agent considered that ordinary banks are 'more secure'.

In contrast to the agents, the population seems a little more divided on the preference between the two types of banks. Indeed, 60% are in favour of mobile money. This preference comes from the fact that ordinary banks require too many tiresome procedures. As far as mobile money booths are concerned, they are

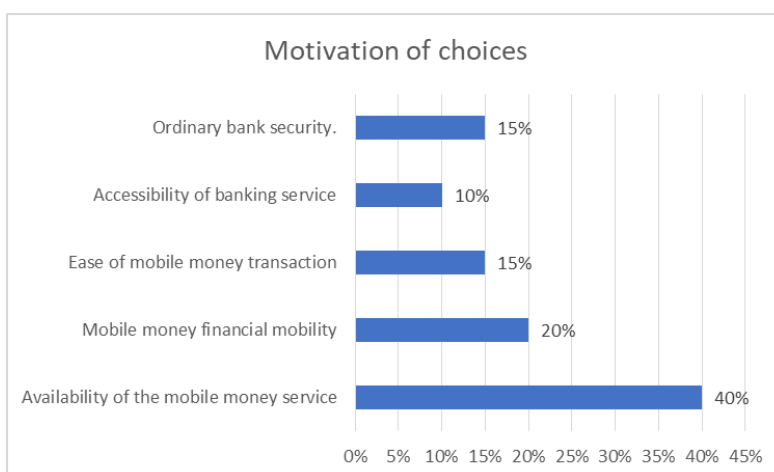
very accessible and make it easier to save money at a lower cost and to send money quickly to relatives.

Apart from these, 30% prefer both types of transactions. This simultaneous choice makes sense in terms of the usefulness or role that each plays. Some people justify their choice in the following way: "It is impossible for me to work without both types of bank"; "Both are useful"; "Ordinary banks for projects, and Mobile Money services for simple purchases"; etc.

Thus, only 10% of users clearly state their preference for ordinary banks. They underline the advantages of the latter:

"It's more secure, it's reliable and there are advantages. You can take out loans".

Furthermore, the comparison between the two types of deposit allows us to identify modalities or features in favour of each of them. Thus, for the population surveyed, the availability of the service (40%), financial mobility (20%) and the ease of financial transactions (15%) represent the advantages of mobile money services over ordinary banks, while access to banking products (10%) and financial security (15%) play in favour of ordinary banks.



**Fig-3: Motivations for choosing mobile money services or regular banks**  
 Source: Our 2020 study

For the cost of transactions, there appears to be a slight parity in responses with 60% for Mobile Money services and 40% for mainstream banks. However, the trends show that in small transactions Mobile Money services are less costly, while regular banks are more favourable for large transactions. In addition, users seem to specify the role of each type of bank. As a result, the following distinctions are noted among others:

"They do not have the same roles. Mobile Money services are limited to deposits and withdrawals, while ordinary banks have several products"; "Ordinary banks are for keeping money and financing projects. Mobile Money services only send and receive money"; "Mobile Money services facilitate transactions, while ordinary banks facilitate savings and SME development".

All these statements show that users assign a particular role to each type of service and therefore use them differently.

### 3.2 Challenges and social implications of the expansion of mobile currencies

#### 3.2.1 Challenges to the expansion of mobile currencies

##### 3.2.1.1 Economic issues: financial inclusion?

The introduction of mobile money by the mobile telephone companies in Côte d'Ivoire is aimed at increasing their financial capacity. Indeed, the dizzying growth in the rate of transactions on Mobile Money services constitutes an important means of filling the accounts of these companies. As one mobile money agent put it:

"It is to make money for themselves and then think of the population because not everyone can go to the bank.

In addition to the financial contribution, Mobile Money is a way of opening up the banking sector. This gives telephone companies the capacity to integrate the financial or monetary market. As a result, they have the necessary resources to become real banks. As a mobile money agent testifies. Another challenge of mobile currencies concerns financial transactions. Indeed, the implementation of these services aims to increase economic activity by facilitating financial transactions and capital exchanges. Thus, people can easily and quickly carry out operations such as purchases, money transfers and withdrawals. This allows for fluidity in economic activities. This assumption is supported by some mobile money agents who claim that the purpose of employers is to facilitate

money withdrawals at any time and in any place, or to facilitate people's transactions.

This fluidity of economic transactions even goes beyond the country's borders. According to the agents interviewed, Mobile Money services aim to increase transactions with ECOWAS countries and to make transactions with countries in the sub-region.

From an economic point of view, the creation of mobile money aims firstly to increase the financial capacity of telephone companies. Secondly, it opens the door to the financial market and the banking sector to these companies. And thirdly, mobile currencies aim to facilitate economic transactions at the national and sub-regional level.

Indeed, the emergence of an alternative solution, allowing many people to use formal financial services through a tool (the mobile phone) that the majority of the population owns, also explains the success of mobile money in the commune of Daloa. Moreover, this success has been facilitated by rates that are three to five times lower than those charged by banks or other money transfer companies such as Money Gram or Western Union.

### **3.2.1.2 Political issues**

From a political point of view, the creation of mobile currencies aims to diversify the activities and expand the scope of action of mobile telephone companies. This diversification is linked to the technical developments available to these companies. However, based on the words of a banker, we can postulate that it is also a prevention strategy. In fact, this operations manager of a local bank attests that telephone companies are threatened from a communication point of view. With Facebook, Messenger and others, the call is free. So these companies are also afraid of going bankrupt. This means that these companies could be converted into banks, if internet services take over the communication business.

### **3.2.1.3 Social issues**

At the social level, the creation of mobile currencies aims to open up access to financial services for all sectors of the population. This makes it possible to overcome the blockages of certain social categories that were excluded by ordinary banks because they are considered insolvent. To illustrate this point, an agent interviewed said that mobile currencies are for the whole population and that all you need is a number. This statement makes it clear that mobile currencies do not impose any criteria that might constitute a barrier for certain social categories. Thus, "all those who have an identity of their own, i.e. an identity card" are eligible to create a mobile money account. These mobile money services reduce the social differentiation created by ordinary banks. These services even lead to social re-composition.

This posture of the interviewees tends to be in line with the definition of financial inclusion that the State of Côte d'Ivoire has given itself, namely that: "financial inclusion consists in favouring the access of populations, including those who are vulnerable or excluded, to formal financial services that are adapted and affordable for their use. SNIF 2019-2023"

## **3.2.2 Impacts of the expansion of mobile currencies**

### **3.2.2.1 Impact on mobile phone companies**

The major impact that mobile currencies have on telephone companies is the financial contribution. Indeed, surveys show that these companies have seen an increase in their turnover. This is confirmed by some mobile money service agents who say:

"Increased profits"; "Enough gains, profits"; and "brings profits". In addition, the expansion of mobile banking is creating a significant demand for manpower in the telephone companies. This demand for labour includes in-house agents that the company hires, and independent agents who set themselves up as partners and distributors of mobile money services.

### **3.2.2.2 Impacts on mainstream banks**

Ordinary banks are the most affected by the expansion of mobile money. While some respondents say that they are not affected by the pace imposed by mobile money, and others say that it is good for them, the negative impacts of this expansion on banks are tantalising. Indeed, some bankers interviewed acknowledge the imminent threat to their institutions. Some denounce:

"It goes against our activities, we can't do anything about it because it depends on the state", or "It's the state that has favoured this. It allows us to have money to pay the civil servants because they pay taxes".

Still talking about the impacts suffered, they argue:

"Loss of commissions, because the transfer services of banks are ignored by customers"; "Decrease in savings activity in ordinary banks"; "Limits the influx of customers in banks".

Following these bankers, almost all the users interviewed confirm this trend. The opinions revolve around the following:

"Reduced patronage of ordinary banks"; "Loss of income. Ordinary banks will fall. They have problems because they are not represented everywhere. But mobile currencies are everywhere and fast"; "Ordinary banks are slow and this allows mobile banks to capture their customers"; "Concerns about ordinary banks. We are there because our transfers go through them. They are complaining, the customers have decreased".

Taken together, these views indicate that the advent of mobile money is a hindrance to some banking activities.

Nevertheless, a minority of respondents oppose this view. For a part of this minority, notably a bank manager, mobile money contributes to strengthening banking activity. By integrating the so-called insolvent population, mobile money expands the customer base of banks, he says. This is because the phone companies host their revenues in the ordinary banks. So the more mobile money grows, the more the profits from hosting accounts grow at the regular banks. This can be seen in the following statement:

"They're coming in where we can't, so they're allowing us to capture customers'; 'We're delighted, happy. Otherwise we wouldn't work with them. UBA is partnering with Orange to promote Orange Money around the world. In Côte d'Ivoire, we work with MTN. Mobile Money services are coming where we are not, so they can only help us.

Another part of this minority, made up of users, argue that the two types of service do not have the same attributes and that the expansion of mobile money does not affect the business of ordinary banks. As one business leader explained:

"They do not hinder or burden ordinary banks. Mobile money services are fine for the mainstream banks, they cannot bring them down because they handle large sums of money unlike mobile money.

Furthermore, most respondents agree that the competition imposed by mobile banks is a motivation to improve banking services. In this order, we note:

"Mobile money forces ordinary banks to change their ways", or "the speed of mobile money transactions pushes banks to improve their services".

Thus, despite the negative impact that mobile currencies have on the business of ordinary banks, these banks can adapt by reconsidering their business models to minimise the impact.

### **1-Impact on people**

Mobile currencies have impacted on people's daily lives in three ways: ease of transactions, changes in their relationship with digital money and job creation.

As mentioned above, the most obvious social contribution of mobile banks is the ease of economic transactions. This facility allows people to have rapid access to money to carry out multiple operations such as online payments, purchases and sales of products, money transfers, etc. This is what some respondents maintain:

"Mobile currencies allow you to make online purchases and facilitate money transfers"; "Easy access

to money, quick transactions"; "They make people's daily lives easier. You can sit at home to make transactions".

Indeed, the operational deployment of a bank presents high costs (installation of branches, maintenance of banking systems, deployment of advisers and operational agents, secure transport of funds) and a dilemma in terms of return on investment, which will only be of interest in areas with a high savings potential and easy logistics. In sub-Saharan Africa, banks are content to cover large cities by rationalising geographical coverage as best they can, where mobile banking mutualises the operational costs of basic financial services (YOUSSOUF CARIUS, 2016).

The main comparative advantage of mobile banking lies in the efficiency of the services offered (proximity to populations, speed of execution of a transfer or withdrawal of funds on low-level transactions). Mobile phone operators have been able to exploit their distribution network in a very rational way to achieve this objective. The marginal costs of deploying and developing the mobile banking network are much lower than those of traditional banks.

In this order, others focus on the accessibility of mobile currencies, making it the primary element in the social contribution of these banks. Opinions such as: "No waste of time, they are within reach of the people"; "access is easier, you don't need to fill in papers and you don't need ID".

Furthermore, mobile money has revolutionised the use of digital money in Côte d'Ivoire, particularly among those sections of the population deemed insolvent by ordinary banks. By opening mobile money accounts in Daloa to keep their money or carry out transactions, these populations who do not have access to traditional banks are getting rid of ancestral hoarding practices. Thus, according to respondents, there is a change in mentality. People prefer to keep their money in Mobile Money services rather than at home. This change in mentality has boosted the rate of banking because, according to most respondents, people are no longer afraid to put their money in a digital account.

Finally, one user said that "mobile banks" or mobile money "help people to take charge of their lives, to get out of poverty". Such a statement shows that in addition to the above-mentioned contributions, mobile money is now an important source of employment for the population. This point of view is unanimously shared by all those interviewed, and the jobs mentioned relate to the creation and management of mobile money services. Thus, an individual can open a mobile money service and manage it himself or through another person he recruits. The requirements for opening such a service are as follows:



"With a local, apply to primo service with photocopy of identity card; geographical location; have a bank account; a trade register.

MTN does not require a trade register. The manager must be of good character, friendly and literate.

The large number of these services in the city of Daloa shows the numerical importance of the jobs generated by mobile banks.

### **3-2-3 Emergence of mobile currencies and the evolution of competition**

The rise of mobile currencies is creating competition between telephone companies on the one hand and between these companies and ordinary banks on the other.

#### **3-2-3-1 Competition between telephone companies**

The advent of mobile money has accentuated the competition between mobile phone networks in Côte d'Ivoire in general and in Daloa in particular. There is a constant struggle for leadership and market share. Each one is trying to capture as many customers as possible, as one mobile money agent said, "Everyone wants to have as many customers as possible. To achieve this goal, these companies use bonus offers to entice customers. As a result, although the transaction costs are the same, each company mobilises services to make it attractive.

In this competitive logic, Orange seems to have the greatest control. Indeed, all the users and Mobile Money service agents interviewed for this study consider the Orange Money service as their priority. According to these respondents, "Orange is the leader, it breaks the record". MTN Money is in 2nd place and Flooz (Moov Money) is in last place. There is a fairly comfortable gap in favour of MTN between the last two mobile phone companies.

#### **3.2.3.2 Competition between telephone companies and ordinary banks**

The emergence of mobile money has created a climate of interference between phone companies and ordinary banks. Indeed, the phone companies that have entered the banking sector through mobile money are positioning themselves as competition to the ordinary banks. This competition stems from the rush of customers to mobile money at the expense of ordinary banks. As one agent interviewed put it:

"Mobile Money has brought down the turnover of the banks. There is no more traffic in the banks and a lot of customers are emptying their accounts. Our customers are no longer saving. This view is shared by all mobile money users and agents, as well as two thirds of bankers.

However, the competition between the phone companies and the ordinary banks still seems to be latent. While there is almost unanimity on the existence of competition, most of the respondents believe that this competition is still timid and will manifest itself more in the future. This prediction is based on the plans of the telephone companies to create their own banks. This prediction is based on the plans of the telephone companies to create their own banks, which is what the agents of the telephone companies are talking about. It emerged from our interviews with these agents that the banking of their companies would not only reinforce the fluidity and proximity of the circulation of money, but above all would favour the security of their clients' transactions.

On this subject, a bank manager gave more details, expressing his concerns: "The problem lies in the future, when mobile currencies will be banked. They are becoming serious competitors, as they have a large customer base and could disrupt the Internet, which would complicate our services.

### **3-3 Risks associated with the creation and expansion of mobile currencies**

#### **3-3-1 Risks for mobile currencies**

There are two risks in the operation of mobile currencies. The first is minimal and relates to network problems and robberies. Indeed, testimonies reveal that the managers of mobile money services are very often exposed to robberies because the service premises are small buildings that cannot ensure the security of the money. Access to the cash desks is not sufficiently secure. Also, network problems represent a risk insofar as they can lead to service malfunctions, especially in transactions. Network disruptions very often result in the loss of money," says a mobile money service manager in Daloa. It should also be noted that errors sometimes occur in the transaction and the money goes elsewhere, provoking heated discussions, as mentioned by another Mobile Money kiosk manager interviewed: "Network problems mean that the money goes elsewhere. Customers and us are often in conflict, the cause being a wrong number, either given incorrectly by the customer or dialled incorrectly by us.

The second risk is more worrying and concerns money laundering. The liberalisation of the mobile money service, together with the weakness of control, can constitute a means of concealing illicit funds. This is what a banker tries to explain in these words:

"Mobile currencies are an easy way to promote money laundering because an individual can hide large amounts of money on several chips. This is something that BCEAO is fighting against.

This can be very worrying as the discovery of such activity can compromise the operations of mobile money services. Companies need to increase their controls and visibility on the use of their services.

### 3-3-2 Risks for mainstream banks

The survey reveals that mainstream banks face two risks from the expansion of mobile currencies. In the short term, the risk is that they will lose customers, while in the long term they will have to worry about their livelihood.

The rush of customers to mobile currencies leaves ordinary banks in a weak position. In a country where bank penetration is still very low (below 20%), the attraction of mobile banking could further depress the banking business. Banks risk becoming a minority in an already weak market. This situation is not lost on some bankers who say that customers increasingly prefer mobile currencies. Their savings are directed towards mobile currencies. There are no longer any constraints on keeping money in ordinary banks, as in the past. The flow to these traditional banks is slowing down.

These claims indicate an imminent risk of customer loss. This loss of customers may increase and lead in the long run to the failure of some banks. Thus, one banker expresses his concerns by referring to the case of the post office: "Let's look at the case of the post office; these mobile currencies could kill the banks if they are not careful."

These concerns seem to be well-founded when we refer to the words of some users who do not hide their desire to see ordinary banks fail in favour of mobile banks:

"We're going to kill the ordinary banks, so they'll review their services. I myself avoid these banks"; "ordinary banks risk disappearing if mobile banks improve security and salaries can go through them".

Therefore, if the phone companies manage to create real banks, the hostilities will be greater for the ordinary banks. This is because mobile currencies could attack the last bastion of banking that is the payment of public and private sector salaries. The integration of this sector would weaken several banks to the point of causing the bankruptcy of some of them. However, banks can, according to respondents, avoid such an outcome. Ordinary banks risk closing down in the long run, but they have strategies for coping.

One strategy is to create mobile money services through applications that customers can install on their mobile phones. This solution is described by a banker in the following terms:

"Banks are anticipating mobile transactions like in Nigeria. The implementation of such a solution will have the merit of rebalancing the competition between

the two types of banks. However, this has yet to be proven as, for the moment; the situation does not look good for the ordinary banks.

### 3.3.3 Risks for users

In the use of mobile currencies, the risks incurred by users are largely related to scams. Indeed, the expansion of mobile currencies has given rise to a new type of scammer who creates strategies to access the accounts of unwary users. The development of this practice is undermining the use of mobile money services. With this in mind, most respondents agreed that "Risks of scams, assaults and robberies"; "Risks of scams, it's a risk we take, otherwise ordinary banks are better"; "Victims of scams, or fraud and assaults".

However, this risk can be minimised if the user is careful in the use of his account. Indeed, to reach an account, scammers put the owner to work. They pretend to be agents of the mobile operator and ask the customer to enter certain codes. Therefore, users can secure their accounts by being very vigilant in everything related to them. As a result, some respondents maintain that: "It requires vigilance on the part of the customer"; "No risks if your code is well kept".

This shows that the user has the capacity to secure his or her account or to expose it otherwise. Apart from the risk of scams, users repeatedly mention the risk of errors in transactions. These errors concern both the customer and the service manager. Each of these actors can get the wrong number and send the money to another person. Thus, the following statements can be made: "Getting the wrong number"; "The risk of getting the wrong number"; "The money can go elsewhere to a stranger".

But here again, the customer can avoid this risk by being vigilant. It is therefore important to remember that the security of mobile currency accounts generally depends on the user. If the customer is vigilant, the account will remain safe. However, a careless customer is more likely to be scammed or to have the wrong number.

## CONCLUSION

Mobile banking illustrates the adaptation of financial products to the world of new technologies in Côte d'Ivoire. Mobile money encompasses a range of remote services by taking advantage of the technological infrastructure already in place. The mobile phone networks (Orange, MTN and Moov) thus constitute an inclusive approach that has been initiated in a large number of developing economies where the populations show high levels of financial exclusion and good mobile phone penetration. Mobile money offers economic agents, excluded by traditional banks, an alternative solution to conventional finance by allowing them better access to financial operations at lower cost

and for small amounts. It has proven its worth in terms of economic and social development through improved financial inclusion.

In the particular context of Daloa, women, the poor, rural areas and the less educated remain on the margins of conventional financial networks. Despite a limited number of accessions to mobile banking services, the survey results show a strong predisposition of the population, especially the young, educated and knowledgeable, to adopt mobile financial services products; their main motives are time saving and convenience of services.

Financial institutions (ordinary banks) should therefore target their communication efforts at reaching young people with online payment habits. But also, public authorities are called upon to sensitise agents to the advantages of remote financial services by strengthening the legal framework on the security and anonymity of operations.

In the end, it is possible to affirm that mobile money allows for the integration of a good fringe of the population that was marginalised and excluded by ordinary banks, even if there are risks of user fraud.

The analysis being carried out on the basis of field data collected in 2020, with the arrival of a serious competitor to classic mobile money, Société Wave, the question is how will these classic mobile money companies and the classic banks behave?

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