

Cellphones broaden business opportunities for Tanzanian women

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What would happen if Tanzanian women who never before owned or could afford a cellphone suddenly received one?

That's the question for which Phil Roessler, William & Mary government professor and director of the Center for African Development at W&M, has sought an answer. Joining him are Brigham Young University professor and former AidData chief social scientist Dan Nielsen; Dr. Flora Myamba, the director of social protection at one of Tanzania's leading research institutes, REPOA; and select students from both universities.

The W&M contingent received backing from the Roy A. Charles Center, the government department's Sturm Award and the Institute for the Theory and Practice of International Relations (ITPIR). Roessler also received a faculty fellowship from the Reves Center for International Studies.

The researchers are working with Kidogo Kidogo – Little By Little in Swahili – a social enterprise founded to reduce the gender gap in [mobile phone](#) ownership in Tanzania, where [women](#) are significantly less likely to own a mobile phone than men. Kidogo Kidogo uses proceeds from the sale of smartphone cases designed by a Tanzanian-based artist to provide cost-free mobile handsets to low-income women.

FINCA, a micro-finance organization that gives loans to Tanzanian women, joined in. Because of the explosion of mobile money—in which

users can seamlessly use their phones to save and send money—getting phones into the hands of its clients would make it easier for them to repay their loans.

The project has three phases, the first of which has been completed, the second of which is about to begin.

The first phase, conducted around the city of Dar es Salaam, was implemented in the summer of 2014. Sixty women, all small business owners and market traders, were targeted.

All were interested in receiving phones because they faced constraints in communicating with customers, in getting information on market prices in neighboring villages and in being able to obtain the cheapest prices for the best-quality merchandise from suppliers.

Roessler and his colleagues used an experimental design to test the impact of mobile phone ownership. Half of the participants were randomly assigned to receive phones and training at the outset of the study, and the other half also received the phone packages but not until after the two-month study period was completed.

"After the two months, the women in the treatment group reported that it was much easier for them to obtain market information, such as real-time prices from neighboring markets on goods they were selling. Overall this improved their competitiveness as traders and small-business owners," Roessler said. "They also reported that it was easier to communicate with their customers and grow their customer base."

"There also was a significant uptick in the use of mobile money. By the end of the study, twice as many women in the treatment group were using mobile money as the women in the control group. And they reported using mobile money to accept payments for goods they were

selling."

But would those results last? Matthew Bondy '18, who spent this past summer in Tanzania, helped conduct follow-up interviews with study participants, one year later. Working again with researchers from REPOA, they were able to contact around 60 percent of the women in the original study. The participants were asked approximately 25 questions about their use of digital financial services, whether or not the phones had enabled them to spend and use their money as they wished, as well as questions about their families, their sense of personal security and well-being, their income and their businesses.

"The results were striking, even from the survey done at the end of the two-month period a year ago," Bondy said. "Use of mobile money among the women we contacted actually went up between the original endline survey and the one a year later. An open question we had was whether the strong results seen after only two months would dissipate over time. Actually, the effects were sustained over the year."

One woman bragged that she uses her phone 100 times a day for business, contacting customers and suppliers. As if to prove her point, she negotiated two deals during the interview.

"And we learned of the negative consequences of not owning a phone," Bondy said. "We interviewed one woman who said sometimes a customer will try to contact her through her neighbor. If she doesn't get the message right away, she maybe loses that business."

Phase two will last six months and consist of 400 women, small-holder farmers in the Rufiji District, south of Dar es Salaam. One innovation in the second phase of the study will be the inclusion of an unconditional cash transfer—in which some participants will not receive a phone but the equivalent of the phone package in cash (about \$25). This will allow

the researchers to isolate the effect of the phone as an intervention versus another valuable good but which does not enable communication, access to information and mobile banking. Funding is being provided by ITPIR and Tigo, one of the largest mobile network operators in Tanzania.

"In Dar es Salaam you can always find someone to borrow a phone from," said Catherine Crowley '17, who spent the summer in Tanzania closing out phase one and laying the groundwork for phase two phone distribution. "In rural regions that's less likely. Some of the women I talked to didn't have phones, not even their husbands. Access is much lower, so this phase is different—but potentially could have that much stronger an effect."

Crowley is an international relations major with a strong interest in women's rights throughout the world.

"Mobile phones are a simple but powerful technology. If we find that it can make that much of a difference [in peoples' lives] and reduce gender inequality, that will have important policy implications."

Asked what she thinks the women who will receive cash transfer will use it for, Crowley said her intuition is that they, too, will buy phones. The fact that phase two will occur during Tanzania's political season and in the midst of an election, she said, could make a difference in what these women do.

"One of the most exciting changes that might come out of this is the ability for women to engage more easily with local politicians and their government," she said. "We found a lot of ways that could happen. We also met with USAID in Tanzania, and I think there could be a really striking effect of this research and perhaps future projects."

Phase three is planned for 2016-17 and will focus on a cross-section of 2,000 Tanzanian women from urban, peri-urban and rural environs. Included will be the basic handset and placebo cash condition from the first two phases, but adds smartphones and a random assignment of solar electrical chargers, data plans and training.

"We initially envisaged the research project as an opportunity to do the first-of-its-kind field experiment to test the impact of the mobile phone revolution on political empowerment, especially among women, in a low-income country," Roessler said. "We have started small with the pilot study in phase one and are slowly scaling up as we learn more. But this is an ambitious project and we will continue to expand the focus as we scale. Research from phase three will provide a wealth of data on the uptake and usage of [mobile money](#) and the welfare benefits to adoptees. This question is at the forefront of many development policy circles."

Provided by The College of William & Mary

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