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<http://science.sciencemag.org/content/354/6317/1288.full>

The long-run poverty and gender impacts of mobile money



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Mobile money, a service that allows monetary value to be stored on a mobile phone and sent to other users via text messages, has been adopted by the vast majority of Kenyan households. We estimate 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. The impacts, which are more pronounced for female-headed households, appear to be driven by changes in financial behavior—in particular, increased financial resilience and saving—and labor market outcomes, such as occupational choice, especially for women, who moved out of agriculture and into business. Mobile money has therefore increased the efficiency of the allocation of consumption over time while allowing a more efficient allocation of labor, resulting in a meaningful reduction of poverty in Kenya.

December 09, 2016