# Unlocking Public and Private Finance for Financial Inclusion for individuals at the bottom of the pyramid in Mbare, Zimbabwe

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by

Rutendo Fortunate Horonga
HRNRUT001

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**Supervisor:** Dr Thanti Mthanti

**Course Convenor**: Dr Badri Zolfaghari

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# Acknowledgements

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# Abstract

This study aimed to find the barriers faced by the poor in accessing finance, with a specific emphasis on Mbare, a small but bustling township in Zimbabwe known for its lively small-scale businesses and markets. Recognizing the significant value of financial inclusion in addressing the large funding deficit was necessary to accomplish the goals of the 2030 Agenda. The research sought to delve into the realities of those living on less than $2.15 per day—a demographic that significantly contributed to this gap.

We employed the logit regression method to quantify the extent of financial inclusion and understand the interplay of various factors influencing it. These factors included financial education, the availability of affordable financial services, branchless banking, women empowerment, the perceived role of different sectors in financial inclusion, the experience of the community with collaborative programs, and their awareness of private sector innovations.

For data collection, 395 closed-ended questionnaires were distributed within the Mbare community. Out of these, 305 questionnaires were returned and subsequently analysed. The results of this research were pivotal in shedding light on the specific challenges and obstacles that the BOP population in Mbare faced in accessing financial services. The insights gained from this study inform and guide policymakers, financial institutions, Non-Governmental Organizations (NGOs), and academic literature in formulating and implementing strategies that effectively address these barriers and promote financial inclusion. This research represents a step towards understanding and enhancing financial access to the poor in developing countries, thereby contributing to broader efforts aimed at sustainable economic development and poverty alleviation.



**Keywords**: *Financial Inclusion, Bottom of the Pyramid (BOP), Logit Regression Model*

# List of abbreviations

| | |
|---|---|
| **BOP** | Bottom of the Pyramid |
| **CFA** | Confirmatory Factor Analysis |
| **CMB** | Common Method Bias |
| **COVID** | Coronavirus Disease 2019 |
| **FinTech** | Financial Technology |
| **FPVS** | Fundación Pro Vivienda Social |
| **ICT** | Information and Communication Technologies |
| **NGO** | Non-Government Organizations |
| **OECD** | Organization for Economic Co-operation and Development |
| **SDG** | Sustainable Development Goals |
| **SPSS** | Statistical Package for the Social Science |
| **UCT** | University of Cape Town |

# Chapter 1: Introduction

## 1.1 Study Background

The Bottom of the Pyramid (BOP) is a demographic segment that, despite its significant size, remains largely marginalized. This study was inspired by the groundbreaking work of C.K. Prahalad, who in 2004 introduced the BOP concept, revolutionizing the perception of the poorest socioeconomic groups not just as a market but also as a source of innovation and entrepreneurial spirit.

In developing countries, the BOP constitutes a considerable group of people, often living under $2.15 per day (World Bank, 2023). This particular group, although comprising a significant amount of unused potential, encounters multiple obstacles in their ability to engage in the financial system. Inadequate access to traditional financial services and a perpetual cycle of informal employment are among the predominant challenges, which not only impede the economic progress of individuals but also stifle the broader economic potential of entire communities (Prahalad, 2004; Hart, 2005).

This study builds upon the foundation laid by previous studies and statistical reports, delving into the concept of financial inclusion, which has gained increasing relevance with the ongoing digitalization of the financial sector (Anthony-Orji et al., 2019; Zhang et al., 2023). Financial inclusion is recognized not only as a catalyst for economic growth but also as a critical factor in fostering social welfare and reducing poverty (Mujeri, 2015). Yet, a significant portion of the global population remains unbanked, a term that describes individuals or households without access to a bank account, predominantly found among the poorer segments of society (World Bank,2022).

This study further investigates the various elements of financial inclusion, while considering the multifaceted barriers (Kim, 2018; Ozili, 2018). These barriers range from individual challenges such as low financial literacy and economic circumstances to infrastructural and institutional obstacles, including inadequate banking infrastructure and a lack of customer-centric services (Gupta, 2015; Ouma, 2017).

The ambit of the 2030 SDGs highlights the urgent need for a paradigm shift in international development financing to bridge the substantial financing gap in achieving the Sustainable Development Goals (SDGs) (OECD, 2023).

This study focuses specifically on Mbare, a township in Zimbabwe that represents key challenges and opportunities faced by individuals at the BOP. It serves as a centre for entrepreneurship with its lively small-scale businesses and markets but faces challenges such as unemployment, non-standard housing, and limited access to essential services (Cilliers, 2023). This study aims to analyse and investigate the different barriers in accessing finance, while also offering valuable insights into potential innovative financial solutions. The objective of the findings is to furnish information and counsel to policymakers, financial institutions, and development organizations to formulate strategies that foster financial inclusion for the BOP in developing nations.

### 1.2 Research Problem

Despite significant advancements in financial technologies and policy frameworks aimed at improving financial inclusion, a substantial portion of the population in developing countries, particularly those at the bottom of the pyramid (BOP), remain excluded from formal financial systems. This financial exclusion perpetuates cycles of poverty and limits economic growth potential in these regions. In Zimbabwe, where the informal sector dominates, the need for inclusive financial systems is critical for socio-economic development.

**Gap Analysis:** Current literature extensively documents the benefits of financial inclusion, such as improved economic stability, poverty reduction, and increased investment in health and education. However, there is a lack of empirical studies that focus specifically on the urban poor in African settings, particularly in high-density suburbs like Mbare, Zimbabwe. Most existing research tends to generalize findings across different contexts without addressing the unique challenges faced by urban BOP populations in Africa. Furthermore, there is limited understanding of how local socio-economic dynamics, gender disparities, and technological innovations impact financial inclusion in these areas.

**Motivation:** The motivation for this study stems from the urgent need to bridge the financial inclusion gap in Mbare, a township that epitomizes the challenges and opportunities present in many urban African settings. By focusing on Mbare, this study aims to provide insights that are not only locally relevant but also applicable to similar contexts across Zimbabwe and other developing countries. The insights gained can inform policymakers, financial institutions, and development organizations in designing targeted interventions that effectively address the barriers to financial inclusion.

**Statement of the Problem:** The persistent financial exclusion of BOP individuals in Mbare, Zimbabwe, hinders their economic empowerment and perpetuates poverty. Despite the presence of financial institutions and innovative financial technologies, significant barriers such as inadequate financial literacy, high transaction costs, and limited access to affordable financial products continue to exclude these populations from formal financial systems. Additionally, gender disparities in financial empowerment exacerbate these challenges, limiting women's ability to participate fully in the economy. This research seeks to investigate and address these barriers by identifying effective strategies for unlocking public and private finance, thereby enhancing financial inclusion for the BOP population in Mbare.

### 1.3 Profile and Description of Mbare

Mbare is a bustling township located approximately 5 kilometres southeast of Harare's central business district. Established in 1907, it is the oldest high-density suburb in Harare, Zimbabwe's capital city. Originally named Harari Township, it was developed during the colonial era to accommodate the black labour force employed in the city's industries. Over time, Mbare has grown into a vibrant community with significant historical and cultural importance. It is a densely populated area with a diverse demographic profile. According to the 2012 census, the population of Mbare is around 37,400 people. The community comprises various ethnic groups, with the Shona ethnic group being the majority. The township has a youthful demographic, with many families residing in crowded residential hostel blocks, which were initially designed for single male workers but are now shared by entire families.

Mbare is a significant economic hub in Harare, known for its vibrant informal economy. The township is home to several bustling markets, including Mbare Musika, the largest fresh produce market in Zimbabwe. Mbare Musika serves as a central trading point for fresh fruits and vegetables, attracting farmers, traders, and consumers from across the country. Additionally, Mbare hosts key home-industry hubs such as Magaba and Siyaso, where small-scale manufacturing activities, including welding and carpentry, thrive. The Mupedzanhamo market, famous for its affordable second-hand clothing, is another economic landmark that draws a diverse clientele. It has a rich history of political activism and has been a focal point in Harare's political landscape. The township has witnessed shifts in political affiliations over the years, with residents navigating the influences of both ruling and opposition parties. This political dynamism adds a layer of complexity to the social fabric of Mbare, making it a critical area for understanding urban socio-political dynamics in Zimbabwe.

Despite its economic vibrancy, Mbare faces significant challenges related to infrastructure and living conditions. The township's infrastructure is often dilapidated, with inadequate sanitation and water supply being persistent issues. The market areas, particularly Mbare Musika, suffer from poor hygiene and lack of modern facilities, affecting both traders and consumers. Housing in Mbare is characterized by overcrowded and substandard living conditions, reflecting the high-density nature of the township.

**Selection of Mbare for the Study**

Mbare was specifically chosen for this study due to its unique position as a microcosm of Zimbabwe's broader economic and social dynamics. Several factors justify its selection:

**Economic Significance:** Mbare's vibrant informal economy and central role in Harare's market ecosystem make it an ideal case study for examining the impacts of market structures and socio-economic interactions.

**Demographic Diversity:** The demographic diversity of Mbare, with its mix of different ethnic groups and a youthful population, provides a comprehensive view of the varied socio-economic challenges and opportunities within an urban Zimbabwean context.

**Historical and Political Relevance:** Mbare's rich history of political activism and its role in the socio-political landscape of Harare offer valuable insights into the intersection of politics, economy, and social dynamics.

**Challenges and Opportunities:** The township's infrastructural challenges and economic vibrancy present a unique setting to explore the barriers and potential solutions for financial inclusion among the bottom of the pyramid (BOP) population.

**Representative Nature:** Mbare's characteristics make it representative of other high-density urban areas in Zimbabwe, providing findings that can be extrapolated to similar settings across the country and potentially other developing nations.

### 1.4 Purpose of the Study

This research aims to dissect the intricate barriers that preclude the BOP from contributing to financial inclusion and explore the opportunities to circumvent these barriers. By understanding the dynamics at play in the local township of Mbare, Zimbabwe, this research seeks to propose actionable strategies that can lead to meaningful financial inclusion. This study will provide valuable knowledge on how public and private finance can be unlocked, not only enhancing the economic well-being of individuals at the BOP but also contributing to the economic health of developing countries as outlined in the 2030 Agenda of Sustainable Development (OECD,2019).

**1.5 Research Questions**

The study is structured around the following pivotal research questions:

1. What are the primary barriers that prevent individuals at the BOP in Mbare from accessing financial services?
2. What opportunities exist within the current financial ecosystem that could enhance financial inclusion for the BOP?
3. What strategies could be employed by public and private sectors to effectively reach and serve individuals at the BOP?

**1.6 Research Objectives**

The objectives that derive from the research questions discussed in Section 1.4 are:

1. To systematically identify and analyse the barriers the BOP in Mbare faces in accessing financial inclusion.
2. To assess the opportunities that technology and innovative financial products present for the BOP's financial inclusion.
3. To develop a strategic framework for unlocking public and private finance that is tailored to the BOP's unique context.

**1.7 Significance of the Study**

This study's significance is underpinned by its potential to impact various aspects of socioeconomic development, particularly within communities that are often marginalized within the broader financial system. The investigation into unlocking public and private finance for individuals at the BOP in Mbare, Zimbabwe is poised to contribute to this global initiative in several ways.

**Policy Implications:** Understanding the barriers to financial inclusion can significantly influence policy formulation. The research findings will offer insights into which policies are effective and which are not, facilitating the design of more nuanced and contextually relevant financial policies. For instance, if the study finds that high fees are a major barrier to banking among the BOP, as 5 Wentzel (2016) suggests, policymakers could consider regulations to encourage low-fee account options for lower-income individuals.

Strategic Direction for Financial Institutions: The financial sector can employ the findings of this study to customise their offerings to more effectively be in access by the poor. Prahalad's (2004) notion of the BOP as a viable market segment suggests that there is both a social imperative and a business opportunity in serving these individuals. This study's findings will guide institutions in developing financial products that are accessible and affordable for the BOP, thus expanding their market reach while contributing to financial inclusion.

**Development of Targeted Interventions by NGOs:** The research can provide these organizations with data to develop targeted interventions that address the specific needs identified within the BOP population. For example, if the findings reveal that financial education is a significant issue, as noted by Singh (2021), NGOs can design educational programs to improve financial knowledge and decision-making within the community.

**Empowerment of the BOP Population:** The aim of initiatives which offer financial education is to empower individuals economically. This, in turn, can result in various positive outcomes such as higher levels of savings, increased investment in education, and greater opportunities for entrepreneurship. Ultimately, these effects can contribute to economic expansion and the reduction of poverty (Rhyne, 2009).

**Contribution to Academic Literature:** This research contributes significantly to the existing body of academic literature on financial inclusion by providing empirical evidence from the context of Mbare, Zimbabwe. It offers a detailed examination of the barriers and facilitators of financial inclusion in an African urban setting, which is underrepresented in current studies. By employing a robust methodological framework and leveraging local insights, this study enhances the understanding of the unique dynamics at play in Mbare. Furthermore, it extends the theoretical discourse on financial inclusion by integrating socio-economic and technological factors specific to the BOP segment in Zimbabwe, thus filling a critical gap in the literature. This study's findings can inform future research and policymaking, offering a comprehensive perspective on how financial inclusion can be effectively promoted in similar contexts globally.

**Global Relevance:** While this study is focused on Mbare, Zimbabwe, its findings have broader implications for similar BOP markets worldwide. The challenges and opportunities identified in Mbare can serve as valuable case studies for other regions with comparable economic and social conditions. By highlighting the effectiveness of certain financial inclusion strategies in an urban African setting, this research contributes to a global dialogue on best practices for enhancing financial access and literacy among marginalized populations. The insights gained from this study can inform international development initiatives, guiding efforts to replicate successful models in other developing regions. This global relevance underscores the study's potential to influence policies and practices beyond Zimbabwe, promoting inclusive financial systems that support sustainable economic development and poverty alleviation on a wider scale

**1.8 Organization of the Study**

**Chapter 1: Introduction**

Chapter 1 presents an overview and background to the status regarding the poor's financial access. The study aims to articulate the research questions it intends to address, as well as the study's objectives, while providing a justification for undertaking the research.

**Chapter 2: Literature Review**

Existing academic studies will be reviewed to address pivotal research questions focusing on key issues related to financial access for individuals at the BOP. This chapter will explore the primary barriers that prevent this demographic from accessing financial services. It delves into methods for unlocking public and private finance for the BOP, examining the strategies and innovations that private sector entities have employed to effectively serve this segment. Additionally, the chapter explores the literature on collaborations among stakeholders to enhance financial inclusion for marginalized populations.

**Chapter 3: Research Methodology**

The methods used in the research will be presented from data sources, data gathering, the variables under study and the tests conducted to ensure data validity and reliability.

**Chapter 4: Research Findings and Discussions**

Chapter 4 analyses the findings collected using the methods presented in chapter 3. The research findings successfully fulfil all the objectives. The study's analysis of descriptive and inferential statistics will be presented by figures and tables.

**Chapter 5: Conclusions and Recommendations**

Chapter 5 conclude the study linking the findings to the previous studies as well as making recommendations to stakeholders.

## Chapter 2: Literature Review

### 2.1 Introduction

This chapter seeks to navigate through the complex interplay of barriers and opportunities that shape the financial landscape of the BOP. It addresses pivotal research questions: What are the primary barriers preventing individuals at the BOP from accessing financial services? How can public and private finance be unlocked for the BOP? What strategies and innovations have private sector entities employed to serve the BOP effectively? Moreover, how can stakeholders collaborate to enhance financial inclusion for marginalized populations?

### 2.2 Barriers to Financial Inclusion

According to Kumar (2013), financial inclusion is a multifaceted notion that can be assessed using a three-dimensional framework: bank account ownership, savings behaviour, and payment practices. Possessing a bank account is vital in accessing essential services in finance, which is the first step towards financial inclusiveness. Tuesta (2015) and Olaniyi (2016) extend this framework to include the active use of banking accounts for savings and transactions, which reflects a deeper financial integration and trust in the financial system.

Financial inclusion for the BOP populace is riddled with challenges, stretching across operational, educational, systemic, and socio-demographic realms. Anshu Singh (2021) highlights operational challenges in delivering financial services to the underprivileged, such as implementation difficulties and a disconnect between financial product designs and the realities of BOP consumers. Atkinson and Messy (2013), and Cohen and Nelson (2011) stress the significance of financial awareness, linking it to proactive decisions regarding money and a broader understanding of products in finance, their risks, and opportunities. Birochi and Pozzebon (2016) discuss the empowerment potential of technology in enhancing financial education, especially in low-income communities.

The introduction of 'no-frills' accounts by India in 2005 and the advent of digital finance (Ozili, 2018; Nandru , 2015) signify steps towards more accessible and affordable financial services. However, Gutiérrez (2015) points out the need for enabling institutions and technology integration in microfinance markets for effective financial inclusion at the BOP.

Wentzel’s studies in 2013 and 2016 delve into the systemic challenges, demonstrating how traditional banking infrastructures are not conducive to BOP engagement. His 2013 study, which contrasts the financial service adoption propensities of banks, post offices, and supermarkets, reveals a preference for non-traditional banking channels among the BOP. This preference is due to perceived lower barriers to adoption, such as costs and customer treatment, thus questioning the systemic rigidity of conventional banks.

Karnani (2007) offers a critical view of the profitability of targeting the BOP market, advocating for a focus on the BOP as producers rather than consumers. The significance of gender-specific financial programmes in promoting women's empowerment is emphasised by Siddik (2017) and Fareed (2017), who demonstrate the positive impacts of financial inclusion on women's socio-economic status, albeit with noted disparities in accessibility and usage.

These studies present a comprehensive view of the barriers faced by the poor in accessing finance, emphasizing the need for operational efficiency, educational support, systemic flexibility, and socio-demographic awareness. They also highlight the importance of affordable financial services, branchless banking, and targeted initiatives for women's empowerment to achieve effective and equitable financial inclusion.

Weaknesses and Gaps:

- Most studies are generalized and do not focus specifically on high-density urban areas like Mbare, Zimbabwe.
- There is insufficient empirical evidence addressing the unique socio-economic and cultural factors influencing financial inclusion in these settings.
- Limited research on the impact of local financial literacy initiatives and their effectiveness in enhancing financial inclusion among the BOP in urban African contexts.

**2.2 Opportunities for BOP Financial Inclusion**

Studies conducted by Aziz and Naima (2021) and Dzombo (2017) have provided valuable insights on the positive impact of branchless banking on marginalized populations, especially those with little to zero access to traditional banking. These findings highlight the significant improvement in financial service accessibility brought about by the evolution of branchless banking. These services, particularly digital financial services like Mobile Financial Services (MFS), have successfully closed the gap in physical access. Nevertheless, there are significant obstacles that hinder the widespread adoption and utilization of these services, including the digital divide, financial literacy, and security concerns. Aziz and Naima (2021) emphasize the importance of adopting a holistic approach to guarantee the accessibility, safety, and benefits of these services for all users. Financial inclusion at the BOP is defined by both the challenges it presents and the various opportunities it provides to individuals in this demographic and private businesses. The literature presents a vibrant landscape of possibilities, where mutual value creation is not just a lofty ideal but a tangible target, with implications for a wide array of stakeholders from microfinance institutions to multinational corporations. These challenges highlight the need for an all-inclusive method to financial technology that addresses both technological and social factors, ensuring that financial services are not only accessible but are also safe and beneficial for all users. Aziz and Naima (2021)

The literature highlights a dynamic range of possibilities for creating mutual value between individuals in the BOP demographic and private businesses. In her work, María Griselda 9 Lassaga (2012) highlighted the importance of adopting strategies that recognise the BOP as active contributors to value creation, rather than just passive consumers. The case of the Fundación Pro Vivienda Social (FPVS) demonstrates the power of a systemic network approach in fostering mutually beneficial relationships, where the private sector's resources and innovations merge with social development. Demirgüç-Kunt (2018) and Bisht and Mishra (2016) highlight the importance of financial innovations, specifically those in FinTech, in improving financial inclusion and bringing marginalised individuals into formal financial systems. These advancements tackle inherent flaws in banking, enhancing efficiency and providing competitive advantages.

The research conducted by Singh in 2016, as well as the studies conducted by Seelos in 2007 and Mohamad in 2011, offer valuable insights into the effects of collaborative programmes. Singh (2016) presents an alternative perspective on microenterprise loans, proposing that supporting traditional livelihoods through loans could lead to more sustainable outcomes for the BOP. It is necessary to reconsider loan product designs and develop a more comprehensive understanding of 'entrepreneurship' within the BOP context. Seelos (2007) advocates for a reimagining of business strategies and models to effectively engage with the BOP, leveraging existing capabilities for localized, nuanced models of BOP economic activity. Mohamad emphasises the significance of mobile technology in improving the effectiveness and reach of microfinance initiatives, demonstrating how innovation can overcome operational obstacles in the BOP segment.

These academic works collectively argue for a comprehensive approach to accessing financial opportunities at the base of the pyramid. Private businesses are being encouraged to adopt inclusive strategies that promote economic empowerment and sustainable growth. This involves moving away from a profit-centric mindset and embracing a more holistic approach that recognises the importance of social impact in achieving business success. This involves a comprehensive grasp and efficient utilisation of branchless banking, knowledge of private sector advancements, and insights gained from collaborative initiatives.

Weaknesses and Gaps:

- While technological innovations are documented, there is a lack of detailed analysis of their adoption and effectiveness in specific urban African environments.
- Few studies explore the intersection of technological advancements with socio-economic factors unique to urban BOP populations.
- The role of gender in leveraging these opportunities remains under-researched, particularly in how financial products can be tailored to empower women economically.

### 2.3 Strategies and Innovations by Private Sector

Published research highlights the crucial roles played by various sectors, including government, private entities, and NGOs in advancing financial inclusion. For example, the studies conducted by Arun and Kamath (2015) shed light on the positive impact of initiatives by governments such as India's "Pradhan Mantri Jan Dhan Yojana" in reaching marginalised communities. These initiatives highlight a significant demand for financial services among these groups, despite the obstacles of high interest rates and market fragmentation. In 2015, Pauw conducted research in Zambia that highlighted the role of the private sector. The research focuses on how investments in agriculture and infrastructure have helped improve adaptability and financial access for the BOP. The sector's involvement highlights the importance of a well-rounded approach that incorporates both private and public sectors, particularly in light of obstacles such as inadequate rural infrastructure.

The significance of cross-sector collaboration is further highlighted by Bell (2019) through the notion of Medical-Financial Partnerships (MFPs). These collaborations aim to enhance wellness by tackling the financial strain that is faced by the poor, through the healthcare systems and financial service organizations working together. This approach highlights the interconnectedness between financial well-being and health.

In the private sector, Gollakota (2010) and Erbil (2017) have put forward innovative business strategies that prioritise cost management and benefit enhancement. These strategies aim to cater to the needs of BOP customers while also incorporating social goals into corporate strategies to promote sustainable development. In addition, Luce (2010) and Anderson (2007) propose the establishment of entrepreneurial systems that involve BOP stakeholders, promoting the idea of multinational companies forming inclusive and empowering value chains.

Studies conducted by Conroy, Parreñas, and Manupipatpong (2009), as well as Waema and Omwansa (2015), reveal a range of outcomes and levels of contentment in collaborative financial inclusion initiatives. Public-private partnerships play a vital role in this context, as governments establish legal frameworks and incentives, while private operators work to expand services and access. The initiatives undertaken by the Central Bank of Kenya, which involve mobile providers and banks, highlight the success of collaborative efforts in bringing individuals without banking services into the formal financial system.

Nevertheless, the levels of satisfaction with these programmes differ, and there are still obstacles to overcome in developing successful business strategies for this particular market segment. Enhancing collaboration among stakeholders is crucial for the successful operation of programmes that aim to support individuals with limited financial resources. Companies such as M-Kopa, an African platform that provides essential products like solar lighting, televisions, fridges, smartphones, and financial services to underbanked customers in Africa, 11 and Kickstart International, a nonprofit social enterprise in Nairobi, Kenya, demonstrate the successful utilisation of partnerships to develop innovative financial services customised for the specific requirements of disadvantaged individuals. M-Kopa specialises in granting access to essential goods, while Kickstart International leads the way in developing environmentally friendly irrigation equipment for small-scale farmers in sub-Saharan Africa, enabling a transition from subsistence farming to profitable irrigated agriculture. This exemplifies the capacity of joint endeavours in formulating financial solutions for marginalised groups.

As highlighted by Waema and Omwansa (2014) in their working paper Kickstart International and M-Kopa have used strategic partnerships to develop innovative financial services for underserved communities. M-Kopa partnered with M-PESA, a mobile money platform, to provide solar panels to low-income populations, offering an accessible financial model with an initial deposit and regular payments over a year. Kickstart International, focusing on the agricultural sector, collaborated with M-Pesa to facilitate a mobile money-based layaway program for farmers, reducing payment periods and achieving a 90% completion rate.

NGOs also have a significant impact on promoting financial inclusion, as highlighted by Lal (2021). They provide valuable insights from various regions and help individuals access financial services, ultimately promoting social and economic empowerment while tackling issues such as poverty and income inequality.

Overall, these studies suggest the need for a different approach from the private sector when it comes to the BOP market. They promote the adoption of inclusive, innovative, and socially responsible strategies, with a strong emphasis on economic viability and social impact. To successfully shift strategies, it is important to grasp the distinct context of the BOP and apply it to business practices and models that are forward-thinking, inclusive, and socially conscious. By engaging with the private sector, there is great potential for driving financial inclusion and promoting development in BOP communities.

Weaknesses and Gaps:

- Existing literature often lacks context-specific strategies that consider the unique challenges of urban BOP populations in African countries.
- There is limited empirical data on the success and sustainability of collaborative efforts in promoting financial inclusion in high-density urban settings.
- The impact of financial innovations on women's economic empowerment in these contexts is not well-documented.

### 2.4 Collaborative Efforts for Financial Inclusion

The topic of collaborative efforts in financial inclusion is widely discussed in academic studies, highlighting the complex nature of this undertaking and the involvement of various stakeholders. The combination of these viewpoints offers a holistic understanding of the collaborative dynamics required for successful financial inclusion strategies.

In Johnson's (2013) study, the investigation into the connection between donors and governments sheds light on the intricate nature of financial inclusion initiatives. Although 12 donors play a crucial role by providing necessary resources and strategic guidance, their approaches may occasionally differ from or overshadow the priorities of local governments. The importance of alignment and cooperation between donors and governments cannot be overstated to ensure the sustainability and effectiveness of financial inclusion efforts in the long run. The interaction between these two actors plays a vital role in determining the course of financial inclusion initiatives.

In Pant's (2016) study on Nepal's financial landscape, the importance of implementing strategies tailored to the specific context is highlighted as crucial for achieving financial inclusion. Highlighting the significance of customised interventions that consider the unique socio-economic contexts of a particular region, Pant (2016) emphasises the need for financial literacy programmes, digital financial services, and a comprehensive national strategy. This approach emphasises the importance of creating financial inclusion strategies that take into account the unique needs and situations of various communities.

Figart's (2013) argument in favour of institutionalist policies to improve financial capabilities broadens the concept of financial inclusion to go beyond just having access to services. This viewpoint emphasises the importance of taking a comprehensive approach that encompasses financial literacy and empowerment. This approach allows individuals to make the most of financial services to enhance their economic progress. According to Figart's perspective, genuine financial inclusion goes beyond just offering financial services. It also involves fostering the necessary skills and knowledge to effectively utilise these services for one's benefit.

Tapas (2019) highlights the wide range of obstacles that hinder financial inclusion, including income insecurity, socioeconomic conditions, lack of financial knowledge, and technological limitations. This viewpoint highlights the interdependence of these difficulties and the need for a comprehensive strategy to tackle them. Tapas emphasises the importance of literacy and utilising services as essential tools for enhancing the lifestyle of individuals.

The findings from these studies highlight the significance of a collaborative ecosystem, where all participants bring valuable insights and resources. It is important to develop strategies that take into account the overall picture, consider the specific circumstances, and include everyone, while recognising the distinct obstacles and advantages of various situations. This approach requires finding a middle ground between acknowledging local governance and utilising the strengths of donors, necessitating comprehensive solutions to tackle interconnected issues.

Weaknesses and Gaps:

- There is a lack of comprehensive studies examining the effectiveness of multi-sectoral collaborations in urban African contexts.
- Limited understanding of how these collaborations can be structured to address specific barriers faced by BOP populations in areas like Mbare.

- Few studies investigate the long-term impact of these collaborative efforts on financial inclusion and economic empowerment.

**2.5 Theoretical Framework**

This review also examines the theoretical underpinnings relevant to financial inclusion at the Bottom of the Pyramid (BOP). It integrates established theories to provide a comprehensive understanding of how financial inclusion can be effectively enhanced for marginalized populations. This review will specifically delve into the Capability Approach, Diffusion of Innovations Theory, Financial Intermediation Theory, and Empowerment Theory, evaluating their relevance and applicability to financial inclusion efforts in Mbare, Zimbabwe.

The Capability Approach, developed by Amartya Sen, provides a robust framework for understanding the multifaceted nature of poverty and financial exclusion. Sen's theory emphasizes enhancing individuals' capabilities and freedoms to achieve their full potential, rather than merely focusing on economic growth or resource distribution (Sen, 1999). In the context of financial inclusion, this approach underscores the importance of providing BOP individuals with access to financial services that enable them to pursue activities they value. Financial services such as savings accounts, credit, and insurance can significantly enhance the capabilities of BOP individuals by providing them with tools to manage risks, invest in education or small businesses, and improve their overall economic stability (Nussbaum, 2011). Financial inclusion initiatives that align with the Capability Approach focus on expanding the real freedoms and choices available to individuals, thus contributing to human development and empowerment.

Everett Rogers' Diffusion of Innovations Theory explains how new ideas and technologies spread through societies over time. This theory is particularly pertinent to understanding the adoption of financial technologies (FinTech) and branchless banking among BOP populations (Rogers, 2003). Key components are Innovation, communication channels, time and social system.

Diamond (1984) and Leland and Pyle (1977) have both contributed significantly to the theory of financial intermediation which focuses on the role of financial intermediaries, such as banks and microfinance institutions, in reducing transaction costs and addressing information asymmetries between borrowers and lenders. Financial intermediaries can bridge the gap between formal financial institutions and BOP individuals, offering tailored products that meet the unique needs of this demographic. By leveraging technology, financial intermediaries can lower operational costs and extend their reach to underserved populations, enhancing financial inclusion (Beck & Levine, 2004).

Empowerment Theory emphasizes the processes that enable individuals or groups to gain control over their lives and environments (Zimmerman, 2000). This theory is particularly relevant when examining women's financial empowerment and the impact of targeted financial programs.

### 2.6 Conclusion

This literature review underscores the necessity of a multifaceted and inclusive approach to financial inclusion at the BOP, one that integrates technological advancements, collaborative efforts, and theoretical insights to address the unique challenges and unlock the vast potential of marginalized populations. By adopting innovative, context-specific strategies, stakeholders can significantly contribute to the economic empowerment and sustainable development of BOP communities.

# Chapter 3: Research Methodology

## 3.1 Introduction

The methodological framework is outlined in this chapter.

## 3.2 Research Approach and Design

Al-Ababneh (2020) conceptualizes research design as the comprehensive blueprint for answering research questions. In this research, the design served as a guiding compass, directing attention to the research objectives and methodologies for gathering information. It facilitated the selection of suitable approaches, samples, and evaluation tactics for the collected data (Al-Ababneh, 2020).

This study's research design is descriptive and explanatory, aimed at understanding the extent and nature of financial inclusion among the BOP population in Mbare. The chosen design supports a systematic investigation into the phenomena by outlining a clear plan for data collection and analysis.

To achieve the research objectives, we employed a quantitative research method. Primary data was collected through structured surveys to gather numerical information from a large sample size. This method facilitated the measurement of variables related to financial inclusion, such as access to financial services, financial literacy, and the usage of financial products. The quantitative data enabled the identification of patterns and correlations, offering a comprehensive perspective on the challenges faced by the BOP population.

The rationale for choosing a quantitative method stems from its suitability in addressing research questions that require numerical data and its effectiveness in investigating large populations. This choice is supported by Bryman (2012), who notes that quantification can enhance precision in the description of parameters and the discernment of patterns.

We aim to test specific hypotheses derived from past studies, particularly focusing on the gaps identified in studies concerning the factors influencing the usage dimension of financial inclusion, as noted by Thomas and Subhashree (2020) and the Global Financial Inclusion Index (2023). This method will enable us to produce reliable and generalizable results that can be extrapolated to the broader BOP population in Mbare.

## 3.3 Population and Sampling

A cross-sectional study format will be employed, this approach is chosen for its suitability in descriptive analysis and for identifying correlations between variables. Cross-sectional designs are particularly prevalent in financial inclusion research due to their efficiency and the ability to provide a snapshot of financial behaviours in fast-changing economic contexts (Kempson, 2004).

This study will employ a stratified random sampling method. Given the heterogeneity of the Mbare population in Zimbabwe, we will divide the population into homogenous subgroups based on specific attributes. Random samples are then selected from each stratum, ensuring a more precise and generalizable image of the broader population. The choice of stratified random sampling is informed by the work of Wentzel (2013, 2016), who successfully employed this method to control for potential confounding variables like socioeconomic status that may affect access to financial services.

Stratified random sampling addresses the diversity within the BOP population in Mbare, ensuring proportional representation of each subgroup and reducing sampling bias. Despite the need for detailed population information to form strata and the challenges in ensuring each stratum is adequately sampled, this method was chosen for its effectiveness in representing diverse populations and aligning the objectives of our quantitative research study.

With a population number of 32,210 individuals in Mbare according to the Zimbabwe National Statistics Agency (2022), the size of the sample will be determined using the Taro Yamane methodology. This formula provides a simplified approach to establish the statistically appropriate size of the sample:

$n = N / [1 + N(e)^2]$

Where:

$n$ = the sample size

$N$ = the finite population

$e$ = the level of significance or limit of tolerable error which is 0.05

1 = unit or a constant

Therefore, the sample size is calculated as follows:

$n = 32210 / [1 + 32210(0.05)^2]$

$= 395$

Thus, a sample size of approximately 395 will be adequate to achieve a 95% confidence level with a 5% margin of error.

### 3.4 Data Collection Methods

Following the recommendations of Dr Kamakula N. Murthy in his 2023 empirical literature review on financial inclusion, this study will utilize primary data collected through surveys. This methodology aligns with Dr Murthy's emphasis on the importance of primary data for gaining a comprehensive understanding of financial inclusion at the micro-level, especially in data-scarce contexts like Andhra Pradesh. This will help the study to contribute valuable ideas into the nuances of financial inclusion, addressing a gap identified in the existing literature. 16 The survey will comprise closed-ended questions, designed to efficiently capture quantitative data on various dimensions of financial inclusion within the BOP demographic.

**Research Instrument:** This questionnaire was segmented into two distinct sections. The initial section collected demographic data and general background information, while the second section focused on the study's objectives, employing a 1 to 5 Likert scale for responses—where 1 represents a state of significant disagreement and 5 represents a state of strong agreement. (Momanyi, D. K. 2018; Nkuna ,2018)

Despite acknowledging some limitations inherent to questionnaires, such as the limited ability of probe participants, this format was chosen for its advantages. Cost-effectiveness, ease of administration, and convenience for respondents within the constrained l resources made it the most appropriate data collection tool. The straightforward format and the predefined response options provided a balance of efficiency and data depth, supporting its selection for this study.

Prior to administering the questionnaire, we conducted a pre-test was done with a sample of 10 respondents. This allowed us to identify and adjust ambiguous or confusing questions before collecting data. The feedback was incorporated into the final version of the questionnaire before data was collected.

**Content Validity:** To ensure the survey questions comprehensively covered all aspects of the constructs of interest (barriers, opportunities, strategies, and collaboration in financial inclusion), we conducted expert reviews of all survey items. This helped us achieve a comprehensive representation of these constructs

**Missing Data:** Before analysing the data, we needed to address the issue of missing values. We followed the guidelines presented in the OECD handbook for handling missing data

Yorulmaz, (2018). In our study, we employed case deletion, where we excluded all instances with missing values from the analysis. While this may increase the standard errors due to a reduced sample size, it is a viable option for our study because the missing data is minimal. This ensures that our analysis is conducted on a more reliable dataset reflecting the specific socioeconomic dynamics within Mbare without the need for imputation.

The survey was conducted face-to-face over two months, from October 2023 to December 2023. This method was chosen to ensure a high response rate and to facilitate the inclusion of respondents who might have limited literacy skills or access to digital devices. The survey was conducted in English, but in cases where respondents had limited proficiency, the questions were translated into Shona to accommodate the large population with educational barriers.

### 3.5 Data Collection Process

**Location:** The survey was conducted in various locations within Mbare, including Mbare Musika (the main market), local community centres, residential areas, and informal settlements. These locations were strategically chosen to capture a representative sample of the diverse population in Mbare.

**Distribution and Administration:** The survey was primarily administered in a face-to-face manner to enhance engagement and ensure clarity of responses. Enumerators were employed to assist respondents with the questionnaire, particularly those who required help due to literacy constraints. Additionally, some respondents requested digital versions of the questionnaire, which were sent via mobile phones, with enumerators available to assist if needed.

**Language:** While English was the primary language used for the survey, enumerators translated questions into Shona where necessary. This bilingual approach ensured inclusivity and improved the accuracy of responses from individuals who might otherwise struggle with English.

**Questionnaire:** The detailed questionnaire used for this survey is included as an appendix at the end of the dissertation. This includes all the questions asked, along with response options, to provide transparency and allow for replication of the study.

### 3.6 Data Analysis

To analyse the data collected, this study incorporated quantitative analysis methods using statistical figures and tables. This section will detail the sequence of analytical steps, from preliminary data screening to advanced statistical techniques. The Statistical Package for the Social Sciences (SPSS) will be utilised for analyses, due to its wide acceptance and robust capabilities for handling complex statistical analyses, as highlighted by Field (2013).

**Reliability:** The study will employ the Cronbach Alpha test to test for internal dependability and a score of 0.70 or higher will be acceptable as highlighted by Nunnally in their 1978 study. We will use Cronbach Alpha's results alongside the correlation test to assess construct validity and Common Method Bias (CMB).

The calculation of Cronbach's Alpha is based on the following formula:

$\alpha = (K) / (K - 1) * (S_{y}^2 - \text{Sum } S_{i}^2) / S_{y}^2$

Where:

$\alpha$ is the Cronbach's Alpha

K is the number of items on the scale

$S_{i}$ is the sum of the item scores for each item.

$S_{y}$ is the sum of the total scores for all items.

Pre-test pilot Cronbach's Alpha Calculation:

$\alpha = 21 / (21 - 1) * ((51.9 - 18.6) / 51.9)$

$= 0.7$

The research instrument's reliability was confirmed to be reliable as the Cronbach alpha was 0.7 and the expected was 0.7 or higher for a reliable instrument. (Hair, 2010).

### 3.7 Model Specifications

The model is designed to capture the nuances of financial inclusion at the BOP in Mbare and to test the influence of various factors on this phenomenon. From our literature review, we identified important variables to study which have an impact on financial inclusion. These variables include:

- **Financial Inclusion:** It pertains to an individual's capacity to obtain and utilise reasonably priced financial services. Kumar (2013) and Tuesta (2015) highlight the importance of bank account ownership, savings behaviour, and transaction practices in understanding financial inclusion. This variable will measure accessibility and utilisation among the intended demographic.
- **Financial Education:** Critical for enhancing financial literacy, financial education, as noted by Atkinson and Messy (2013), involves imparting knowledge and skills

necessary for effective financial decision-making. It is particularly important for populations that feel alienated from financial management. This variable will gauge the extent of financial understanding and its influence on financial understanding.

- **Affordable Financial Services:** This variable, underscored by the works of Ozili (2018) and Nandru (2015), will measure the accessibility and impact of low-cost financial goods and services to the poor.
- **Branchless Banking:** Emphasized by Aziz and Naima (2021), this variable captures the role of technology in accessing finance by bridging physical access gaps, especially in rural and marginalized areas. It will evaluate the effectiveness and reach of mobile and internet-based banking services.
- **Women's Empowerment:** This variable examines the effect of financial inclusion initiatives on the involvement of women in economic activities Siddik (2017). We will assess how financial initiatives or programs contribute to enhancing women's incomes. Fareed (2017)
- **Perceived Role of Different Sectors:** This variable, highlighted in the works of Arun and Kamath (2015) and Pauw (2015), explores how various sectors like government, private, and NGOs contribute to financial inclusion. It will analyse the impact of their strategies and collaborations on enhancing financial access.
- **Experience with Collaborative Programs:** Based on the insights from Waema and Omwansa (2015), this variable investigates the effectiveness of public-private partnerships and multi-sectoral collaborations in endorsing financial inclusion. It will focus on the outcomes and satisfaction levels of these collaborative efforts.
- **Awareness of Private Sector Innovations:** Informed by the research of Demirgüç-Kunt (2018) and Bisht and Mishra (2016), this variable assesses the impact of innovations in finance on creating access to finance for the poor. It will examine how these innovations address the needs of the BOP.

### 3.7.1 Logistic Regression Model

The logistic model will be used to analyse the factors which influence financial inclusion. This model is particularly apt for our research where the dependent variable, financial inclusion, is binary (In other words, individuals are either part of the financial system or they are not). The independent variables in our study are Financial Education, Affordable Financial Services, Branchless Banking, Women's Empowerment, Perceived Role of Different Sectors in Promoting Financial Inclusion, Experience with Collaborative Programs, and Awareness of

Private Sector Innovations (Abel, Mutandwa, & Le Roux, 2018; Sherwani, Shaikh, Behal, & Siddiqui, 2023; Tita Anthanasius Fomum & Pieter Opperman, 2023).

The logistic regression model is well-suited for this analysis as it allows for the approximation of the likelihood of one person being financially included based on the aforementioned factors. This model uses the discrete choice theory, which says that individuals make choices (such as whether to be financially included or not) based on a set of factors, with a threshold beyond which the individual will not pursue to be incorporated in the recognized financial market (Akudugu, 2013; Patrick, 2015). In mathematical terms, the logistic model represents this binary choice by estimating the probability (P) that an individual (i) chooses to be financially included, as a function of a set of exogenous variables (X_i), such as the age of an individual, gender status, highest education level, and proximity to financial services (Abel, Mutandwa, & Le Roux, 2018).

The logistic model utilises a logistic cumulative distribution function to estimate the probability. This probability model involves a regression of the conditional expectation of the binary outcome (Y) on the independent variables (X). The maximum likelihood method is used, allowing for the evaluation of the relative influence of each independent variable. The nonlinearity of the model indicates that the estimated parameters do not accurately reflect the 20 marginal effects. Conversely, they denote the orientation and extent of the correlation between the independent variables and the likelihood of being financially included (Sherwani, Shaikh, Behal, & Siddiqui, 2023).

The equation for our logistic model can be written as follows:

$$\text{logit}(P(Y=1)) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7$$

Where:

$P(Y=1)$ is the probability of an individual being financially included.

logit(P) is the natural log of the odds of being financially included.

$\beta_0$ is the intercept.

$\beta_1$, $\beta_2$, $\beta_3$, $\beta_4$, $\beta_5$, $\beta_6$, and $\beta_7$ are the coefficients of the independent variables.

$X_1$ represents Financial Education.

$X_2$ represents Affordable Financial Services.

$X_3$ represents Branchless Banking.

$X_4$ represents Women's Empowerment.

$X_5$ represents the Perceived Role of Different Sectors in Promoting Financial Inclusion.

$X_6$ represents Experience with Collaborative Programs.

$X_7$ represents Awareness of Private Sector Innovations.

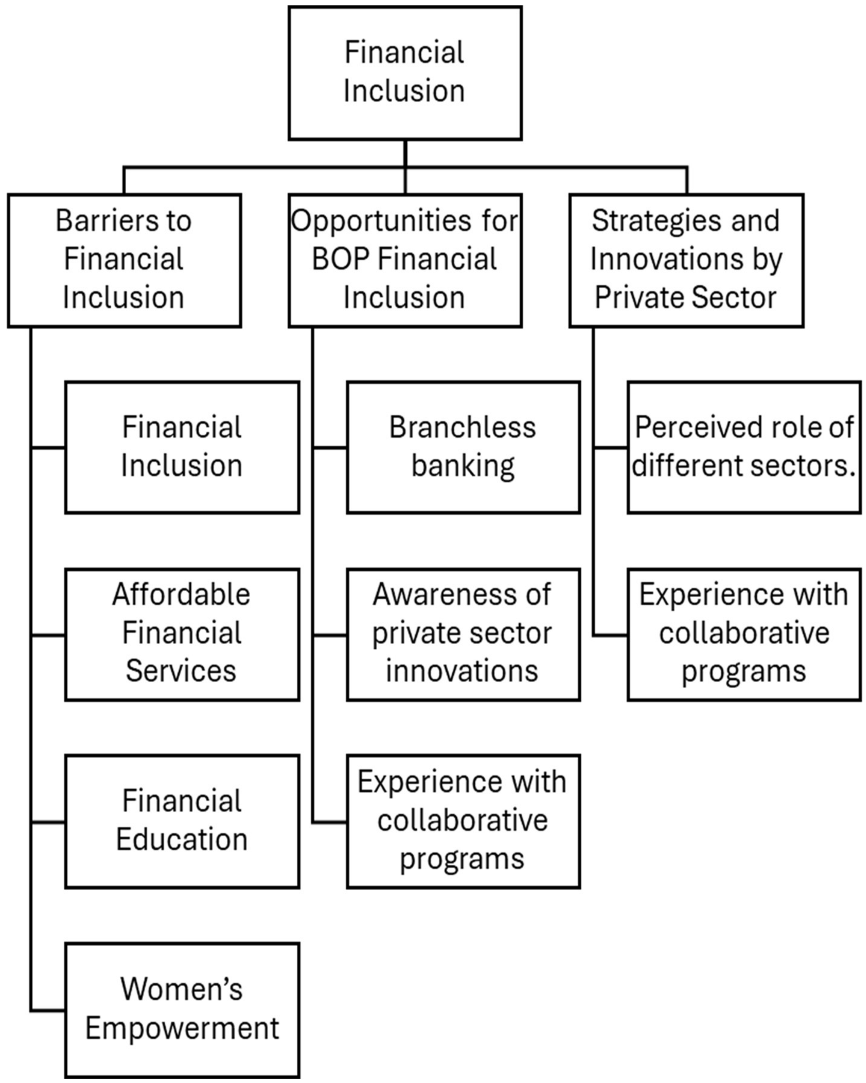
This logistic regression equation models the log odds of being financially included as a linear combination of the independent variables X, which in this study are key variables believed to influence financial inclusion. The coefficients $\beta_1$ to $\beta_7$ will provide insights into the strength and direction of the influence of each factor on the likelihood of financial inclusion (Tita & Opperman, 2023).

The logistic regression analysis will perform a sequence of tests to evaluate the efficacy of the model and the statistical significance of its coefficients. The Omnibus Test of Model Coefficients will be employed to assess the overall significance of the model. The Hosmer and Lemeshow Test will be utilised to assess the model's goodness of fit by comparing observed event rates with predicted rates across various groups, ensuring that the model's predictions closely correspond to the actual data. Next, we will examine the 'Variables in the Equation' section, which involves evaluating the separate coefficients of each predictor, their standard errors, and significance using the Wald Test, and the Odds Ratios (Exp(B)). This test will offer an understanding of the variables' contribution and influence on the likelihood of financial inclusion. It will help identify the most influential factors and their specific impact on an individual's probability of being financially included. Together, these tests will guarantee the strength and applicability of our logistic regression model in comprehending and forecasting financial inclusion.

### 3.7.2 Conceptual Framework and Model

The conceptual model illustrates how various factors and constructs interrelate to influence financial inclusion. At the core is financial inclusion, surrounded by Barriers to financial inclusion, opportunities for BOP financial inclusion, and strategies and innovations by the private sector which are critical constructs and key variables such as accessibility to financial services, financial education and literacy, women’s empowerment, and collaborative efforts and innovations.

**Figure 1: Conceptual Model**




*Source: Researcher's Compilation*

1. **Barriers to Financial Inclusion**

Barriers to financial inclusion are multifaceted and can significantly impede the ability of individuals, especially those at the Bottom of the Pyramid (BOP), to access and utilize financial services. These barriers encompass various dimensions including the availability of affordable financial services, the level of financial education, and the empowerment of women.

- **Financial Inclusion:** The lack of access to financial institutions or products hinders the ability of individuals to engage in financial activities. Barriers such as high transaction costs, limited availability of banking infrastructure, and stringent requirements for account opening contribute to this exclusion.

- **Affordable Financial Services:** The affordability of financial services is crucial. High fees, minimum balance requirements, and costly transaction charges can deter individuals from using banking services. Ensuring that financial services are affordable is essential for inclusive financial systems.
- **Financial Education:** A lack of financial literacy prevents individuals from understanding and effectively using financial products. Financial education programs are necessary to enhance knowledge about savings, loans, interest rates, and other financial concepts, enabling better financial decision-making.
- **Women's Empowerment:** Gender-specific barriers such as socio-cultural norms, lack of financial independence, and limited access to education and employment opportunities disproportionately affect women's access to financial services. Empowering women through targeted financial products and education can help overcome these barriers.

2. **Opportunities for BOP Financial Inclusion**

To enhance financial inclusion at the BOP, it is vital to leverage opportunities that can bridge the existing gaps. These opportunities revolve around technological advancements, increasing awareness, and collaborative efforts.

- **Branchless Banking:** The advent of branchless banking, including mobile banking and digital financial services, has the potential to reach underserved populations. By eliminating the need for physical bank branches, these services make financial products accessible to remote and rural areas.
- **Awareness of Private Sector Innovations:** Innovations in the private sector, such as fintech solutions, microfinance, and digital wallets, play a crucial role in providing accessible and convenient financial services. Raising awareness about these innovations can encourage their adoption among the BOP.
- **Experience with Collaborative Programs**: Collaborative efforts between public and private sectors, as well as community-based initiatives, can enhance financial inclusion. These programs often combine resources and expertise to create comprehensive solutions that address the specific needs of the BOP.

3. **Strategies and Innovations by Private Sector**

The private sector plays a pivotal role in driving financial inclusion through innovative strategies and collaborations. These strategies often focus on creating tailored financial products and leveraging technological advancements.

- **Perceived Role of Different Sectors**: The private sector, including banks, fintech companies, and microfinance institutions, perceives its role as crucial in promoting financial inclusion. By developing inclusive financial products and services, the private sector can address the diverse needs of the BOP.
- **Experience with Collaborative Programs:** Successful collaborative programs involve partnerships between private entities, governments, and non-governmental organizations (NGOs). These collaborations enhance the reach and impact of financial inclusion initiatives, ensuring that they are sustainable and effective.
- **Innovations by Private Sector:** The private sector continuously innovates to create new financial solutions that cater to the underserved. Innovations such as mobile money platforms, micro-insurance, and peer-to-peer lending platforms help bridge the gap between traditional banking and the financial needs of the BOP.

### 3.8 Ethical Considerations

The research adhered to ethical guidelines set forth by the UCT Research Ethics Committee:

- **Informed Consent:** Participants were explicitly told by the researcher they were part of the study sample. They were made aware of any aspects of the research that could influence their decision to participate, ensuring voluntary involvement.
- **Confidentiality:** Adherence to privacy norms was paramount, with the research findings maintained in strict confidence. The researcher managed anonymized data with care, and confidentiality was further reinforced by advising respondents to omit personal identifiers like names or social media handles from the questionnaires.
- **Participant Protection:** The researcher ensured participants' privacy by avoiding sensitive questions and by prioritizing their comfort throughout the interview process.
- **Right to Withdraw:** Participants were afforded the liberty to withdraw from the study at any point should they feel the need to do so.

### 3.9 Limitations

The below limitations were acknowledged for the transparency and integrity of the research:

- **Cross-Sectional Design:** This study's cross-sectional design enables a momentary assessment of financial inclusion among the BOP at a certain moment in time. While efficient, this design limits the ability to establish causality between variables. Temporal changes and trends in financial inclusion cannot be captured, potentially overlooking long-term effects and causative relationships. Longitudinal studies would be required to observe changes over time and to infer causal relationships (Menard, 2002).
- **Self-Reported Data:** The dependence on self-reported data from surveys can introduce various biases. Participants may provide answers they believe are expected, forget pertinent details, or respond inconsistently. Efforts will be made to mitigate these biases through careful questionnaire design and pilot testing, but they cannot be eliminated (Podsakoff, 2003).
- **Sample Size and Representativeness**: While stratified random sampling is employed to ensure representativeness, the sample size may still restrict the generalizability of the findings to the entire BOP population in Mbare. Additionally, the sample may not capture the full diversity within the BOP demographic, which can affect the extent to which results reflect the experiences of all BOP individuals (Cochran, 1977).
- **Analytical Constraints:** The use of SPSS for data analysis is suitable for the statistical tests planned for this study. However, the choice of software may limit the ability to employ more advanced analytical techniques that other software packages might offer. Furthermore, the interpretation of the analyses is dependent on the chosen statistical models, which might not capture all the complexities of the data (Field, 2013).
- **Ethical Considerations:** While ethical clearance has been obtained and ethical considerations are strictly followed, the sensitive nature of financial information may still impact participants' willingness to disclose full and accurate information. This potential underreporting can affect the data's validity (Resnik, 2011).
- **Resource Constraints:** Time and financial resources are limited, hence the ability to follow up with non-respondents or to conduct additional pilot testing may be restricted (Bowen, 2005).

**Addressing Potential Biases**

**Researcher Bias**: Researcher bias might influence the interpretation of data and findings. To minimize this bias, a rigorous data analysis process was employed, including peer reviews and triangulation of data sources.

**Selection Bias:** The selection of respondents might have introduced bias, particularly if certain segments of the population were underrepresented. Stratified random sampling was used to ensure a representative sample. Future research should aim for even more inclusive sampling techniques.

**Response Bias:** Respondents might provide biased answers due to the presence of enumerators or perceived expectations. Training enumerators to create a neutral and comfortable environment for respondents and ensuring anonymity can help reduce response bias.

**Confirmation Bias:** There is a risk of confirmation bias, where researchers might unconsciously look for data that supports their hypotheses. Employing a mixed methods approach and using multiple data sources helps counteract confirmation bias by providing a more balanced perspective. Future research is advised to employ mixed methods research designs in the avenues for future research.

# Chapter 4: Research Findings and Discussions

## 4.1 Introduction

This section provides an exposition of the findings and analysis of the study. The results address each of the objectives. The study's descriptive and inferential statistics examination has been presented using figures and tables.

## 4.2 Response Rate

A total of 395 questionnaires were distributed at Mbare as indicated in Table 1.

**Table 1: Respondents Response Rate**

| | **Frequency** | **Percentage (%)** |
|---|---|---|
| Distributed questionnaires | 395 | 100 |
| Unanswered questionnaires | 59 | 14.94 |
| Eliminated questionnaires | 31 | 7.85 |
| Completely answered questionnaires | 305 | 77.2 |

*Source: Researcher's Compilation from Findings*

Our study achieved a high response rate of 77.2%, exceeding the 65.95% deemed appropriate for its goals (Mellahi & Harris, 2016; Saleh & Bista, 2017). While some incomplete or missing questionnaires contributed to a 22.79% non-response rate, most participants engaged, providing a robust sample for analysis. As response rates of 60% or more are considered good, and our rate surpasses even that benchmark, we can confidently proceed with analyzing the data and drawing meaningful conclusions.

## 4.3 Reliability

The questionnaire was distributed and consisted of nine constructs. The Cronbach's Alphas were computed to assess the reliability of the individual items of each construct. Typically, scores of 0.7 or above are seen as favourable. Table 2 shows the results of this test.

**Table 2: Reliability Analysis**

| **Construct** | **No of items** | **Alpha** |
|---|---|---|
| Demographic Information | 6 | - |
| Financial Inclusion | 3 | 0.6 |
| Financial Education | 3 | 0.9 |
| Affordable financial services | 3 | 0.7 |
| Branchless Banking | 4 | 0.8 |
| Women's Empowerment | 4 | 0.9 |
| Perceived Role of Different Sectors | 4 | 0.7 |
| Experience with Collaborative Programs | 4 | 0.7 |
| Awareness of Private Sector Innovations | 4 | 0.8 |
| **Overall** | **35** | **0.9** |

*Source: Researcher's Compilation from Findings*

An analysis of the reliability of a series of constructs about financial issues indicates different degrees of internal consistency, as quantified by Cronbach's alpha. Demographic Information, which is often objective and not an underlying concept, does not possess an alpha coefficient. The alpha coefficient of Financial Inclusion is 0.6, which is lower than the permissible threshold of 0.7. This suggests moderate consistency and indicates that the three items may not be strongly correlated, for this study, this will be permissible as the scales were different with one of the items being binary and the other two being Likert scale out of 5. Financial Education has a notable score of 0.9, indicating exceptional consistency and implying a well-defined concept. The Affordable Financial Services and Perceived Role of Different Sectors both provide a respectable alpha value of 0.7, suggesting strong internal consistency. Branchless Banking and Awareness of Private Sector Innovations have alphas of 0.8, indicating a good level of coherence in measuring these items. Women's Empowerment, on the other hand, stands out with a very high alpha of 0.9. The alpha value of 0.7 indicates that the experience with Collaborative Programmes satisfies the required level. The composite alpha coefficient for all 35 items is 0.9, suggesting a high level of dependability. However, this may be less important if the questions are measuring different constructs. This research indicates that while most of the constructs are well-designed, the Financial Inclusion construct may need to be reassessed to enhance its internal consistency.

### 4.4 Demographic Data

This section contains information about the respondent's gender, age, level of education, employment status, where they stay, and access to a mobile phone.

#### a) Gender

The survey, as part of the research, gathered how many men and women participated.

**Table 3: Respondents Gender**

| Gender | Frequency | Per cent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Male | 132 | 43.3 | 43.3 | 43.3 |
| Female | 173 | 56.7 | 56.7 | 100.0 |
| **Total** | 305 | 100.0 | 100.0 | |

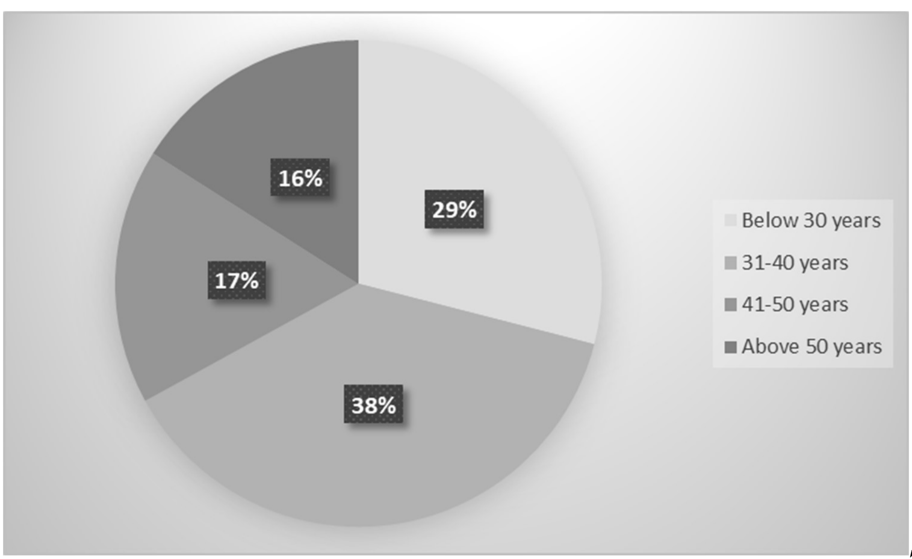
*Source: Researcher's calculations using SPSS*

The data analysis indicated that 56.7% (173) of the individuals who participated in the survey were female, whereas 43.3% (132) were male. These findings indicate a gender imbalance in Mbare, with a greater proportion of women in employed roles compared to males.

#### b) Age of respondents

The workers revealed their ages. Research indicates a positive relationship between age and the extent to which individuals can easily access financial services.

**Figure 2: Age of respondents**



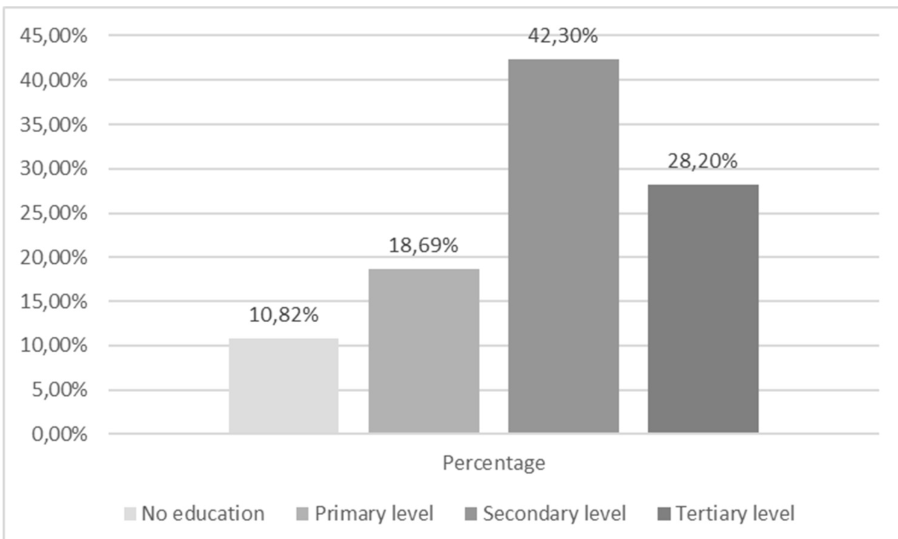

*Source: Researcher's Calculations using SPSS*

The survey reveals that a significant proportion (38%) of the participants are between the age range of 31 to 40 years old. 29% of the participants were under the age of 30, while 17% were within the age range of 41 to 50 years old. The remaining 16% were aged 50 or older. This 26 indicates that most of the participants were persons who were actively engaged in economic activities, therefore possessing a comprehension of financial inclusion.

**c) Highest level of education**

Figure 3 shows the highest educational qualifications the respondents had.

**Figure 3: The highest level of education**



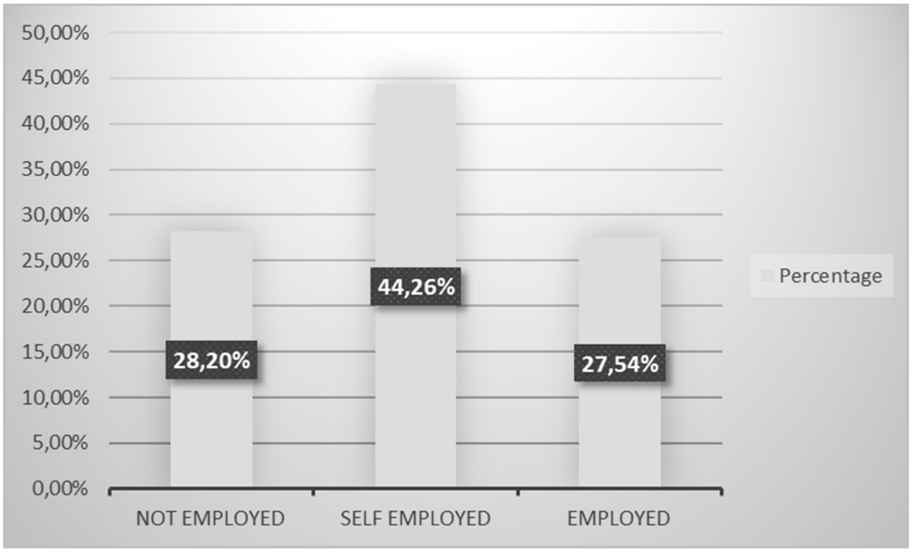

*Source: Researcher's Calculations using SPSS*

The survey revealed that a significant proportion (42.30%) of participants finished their secondary school level. 28.20% of the participants had achieved education up to the university level, while 18.69% had finished their primary school level. 10.82% of the population had no formal education. These findings indicate that a significant majority (71.81%) of the participants did not achieve higher education, suggesting a strong likelihood of limited financial literacy among the Mbare community.

#### d) Employment Status

The study investigates the employment status of the respondents in Mbare, and the results are presented in the figure below.

**Figure 4: Employment Status**



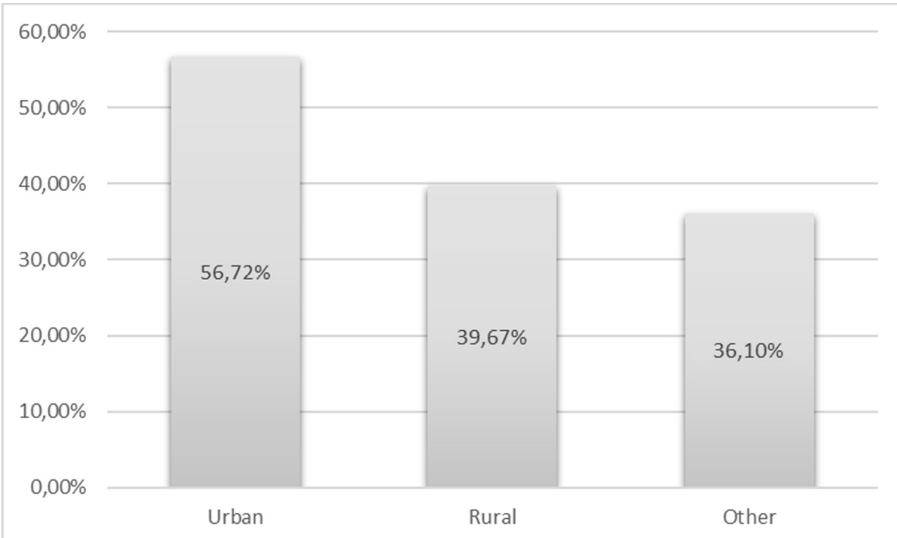

*Source: Researcher's Calculations using SPSS*

The study results indicated that a significant proportion (44.26%) of the participants were engaged in self-employment. A total of 28.20% of the participants were unemployed. Only 27.54% of the respondents were employed in a formal capacity. This data indicates that a significant proportion (72.46%) of the participants do not have formal employment, hence diminishing their opportunities to use financial services.

**e) Living Areas**

Figure 5 presents the living areas of respondents.

**Figure 5: Where the respondents stay**

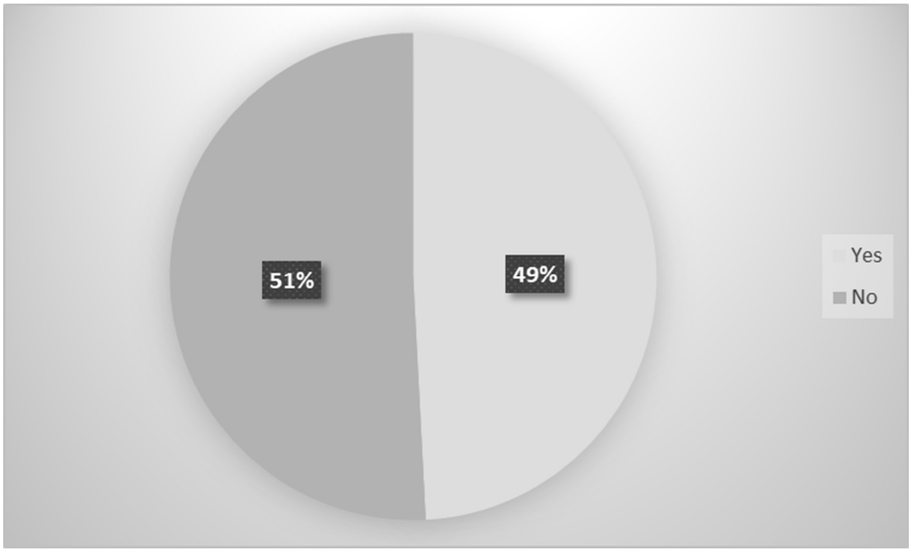



*Source: Researcher's Calculations using SPSS*

The study results indicate that 56.72% of the survey participants live in urban regions, which implies that they have better access to traditional banking services and financial goods because of the metropolitan infrastructure. Conversely, 39.67% of the population resides in rural regions, which may suggest distinct financial requirements and obstacles, such as limited access to physical bank branches or digital financial services. The 3.61% of respondents who selected 'Other' as their residential region may include individuals residing in peri-urban or nontraditional locations, who might have distinct financial inclusion characteristics. Comprehending these demographic characteristics is essential for formulating focused financial inclusion programs that cater to the distinct requirements and situations of diverse communities.

#### f) Mobile Phone Access

**Figure 6: Access to a phone**



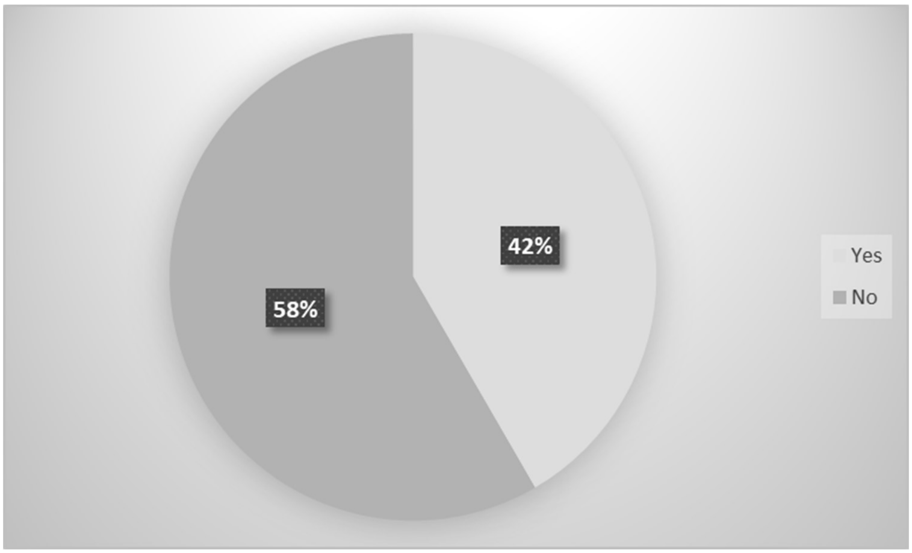

*Source: Researcher's Calculations using SPSS*

The research results on phone access depict the distribution of participants based on their ownership of mobile devices, which is a crucial variable in studies on financial inclusion. The almost equal division, with 50.82% answering 'Yes' and 49.18% 'No', implies that the studied population has a well-balanced access to mobile devices. The significance of this data lies in its importance for programmes aimed at promoting financial inclusion since the ownership of mobile devices might have a direct correlation with the ability to use mobile banking and other digital financial services. The substantial proportion of persons without a mobile device 29 underscores a hurdle to achieving financial inclusion that requires attention. This may be tackled by offering more easily available financial services or implementing initiatives that ease the purchase of mobile devices.

g) **Access to a bank account**

The study investigated if the respondents had a bank account, and the findings are shown in the figure below.

**Figure 7: Access to financial services**




*Source: Researcher's Calculations using SPSS*

The survey found that 41.64% of the respondents had a bank account. 58.36% of the respondents confirmed that they do not have access to formal financial services.

**4.5 Main Findings**

In this section, the study presented the main findings of the study as guided by the research questions and objectives.

*a) Barriers to accessing financial services for individuals at the BOP.*

The study sought to investigate barriers to accessing financial services for individuals at the BOP. The study used 3 constructs to answer this:

**Table 4: Financial Inclusion**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| Do you have a bank account? | 305 | 1 | 2 | 1.58 | 0.494 | -0.341 | -0.14 | -1.896 | 0.278 |
| I regularly use my banking account to make savings. | 305 | 1 | 5 | 2.65 | 1.357 | -0.155 | -0.14 | -1.275 | 0.278 |
| I regularly use my banking account to make payments. | 305 | 1 | 5 | 2.91 | 1.497 | -0.15 | -0.14 | -1.448 | 0.278 |

*Source: Researcher's Calculations using SPSS*

By analysing the data on financial inclusion, we can get a detailed understanding of how banking services are being used. This allows us to identify any obstacles that may be preventing people from accessing financial services. The explicit measure of bank account ownership provides a mostly favourable answer, with an average leaning towards 'Yes' (1.58 on a scale where 1 represents ownership). This implies that while there is widespread availability of fundamental banking services and ownership may not be the main obstacle to achieving financial inclusion in this situation.

Nevertheless, the observed patterns in the use of these bank accounts, as shown by the average scores for savings (2.65) and payments (2.91), both measured on a scale ranging from 1 to 5, provide a valuable understanding of the level of involvement with financial services. The savings mean being near the scale's midpoint, together with a reasonably large standard deviation, indicates an unequal distribution of saving behaviour across account users. This variety may suggest the presence of obstacles such as a lack of assurance to financial systems, scarce knowledge of financial matters to make efficient use of savings products, or a scarcity of customised financial products that cater to the special requirements of the BOP population.

Moreover, the somewhat elevated average for payment services indicates that while participants are using their bank accounts more often for making payments, the extent of this use varies. The occurrence of negative skewness in both savings and payment behaviours suggests that a considerable proportion of the population utilises these services less often than anticipated in a financially inclusive setting.

The presence of negative kurtosis values for both behaviours indicates that instances of extreme behaviours, characterised by either very high or very low frequency of use, are less frequent compared to what would be expected in a population that conforms to a Gaussian distribution. This trend may indicate a lack of diversity in the range of financial products offered, which may not adequately meet the varied requirements and preferences of the population.

These findings suggest that there could be additional barriers beyond mere access, such as the suitability and appropriateness of financial products, the effectiveness of financial literacy initiatives, and the overall trust in the financial system. To successfully improve the financial inclusion of the BOP in Mbare, it is necessary to solve these obstacles.

**Table 5: Financial Education**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| Financial education has helped my understanding of basic financial concepts such as savings, interest rates and loans. | 305 | 1 | 5 | 2.76 | 1.383 | 0.076 | -0.140 | -1.269 | .278 |
| To what extent do you believe that your financial education has positively influenced your financial decision-making? | 305 | 1 | 4 | 2.11 | 0.975 | 0.218 | -0.140 | -1.195 | .278 |
| ICT(Information and Communication Technology) tools have made financial information more accessible and easier to understand. | 305 | 1 | 5 | 2.65 | 1.303 | 0.122 | -0.140 | -1.197 | .278 |

*Source: Researcher's Calculations using SPSS*

The analysis of feedback from 305 participants uncovers interesting observations. Respondents recognise the worth of financial education in refining their comprehension of basic financial principles, as shown by the average rating of 2.76 on a scale ranging from 1 to 5. Although the overall response seems to be favourable, the standard deviation of 1.383 indicates a variation in the efficacy of financial education across the participants. This shows that not all respondents have equally profited from it.

Moreover, when evaluating the influence of financial education on the process of making informed choices, the average score decreases to 2.11, accompanied by a reduced standard deviation of 0.975. This implies a prudent sense of hopefulness about the practical use of financial knowledge in day-to-day financial choices. Whereas responders may possess a theoretical understanding of financial topics, the application of this information to actual enhancements in financial behaviour is not as noticeable.

The impact of ICT on spreading financial knowledge is generally favourable, as shown by an average answer of 2.65. Similarly, to the first measure, a standard deviation of 1.303 indicates different levels of consensus across participants, suggesting that the efficacy of ICT tools is not consistent.

The data exhibits a minor right skewness for all three variables, suggesting a moderate inclination among participants. The presence of negative kurtosis values indicates that while there is a prevailing agreement, the occurrence of extreme perspectives is few, and the viewpoints expressed tend to be more moderate within the sample.

To summarise, the results of the 'Financial Education' study indicate that although financial education programmes are generally seen as helpful in improving comprehension, it is important to ensure that these initiatives are specifically designed to effectively impact real life financial decision-making. Furthermore, while ICT tools are valued for their ability to provide access to financial information, there is potential for these tools to be improved to better cater to the diverse demands of the BOP population. This requires a holistic approach to financial education that not only provides information but also empowers individuals with the ability and self-assurance to utilise this knowledge in their financial endeavours.

**Table 6: Affordable Financial Services**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| How accessible are affordable financial services to you? | 305 | 1 | 5 | 2.67 | 1.152 | .362 | .140 | -0.553 | .278 |
| Do you find the transaction costs associated with your current bank account to be affordable? | 305 | 1 | 5 | 2.45 | 1.105 | -0.76 | .140 | -1.297 | .278 |
| Quality of Services: Rate the quality of affordable financial services. | 305 | 1 | 5 | 2.04 | 1.065 | -2.57 | .140 | -1.231 | .278 |
| Valid N(listwise | 305 | | | | | | | | |

*Source: Researcher's Calculations using SPSS*

The level of accessibility is good, as shown by an average rating of 2.67. This suggests that while financial services are available, there could still be obstacles hindering ideal access. The presence of a standard deviation of 1.152 implies that there is a wide range of thoughts on the level of accessibility. This variability may be impacted by variables such as geographical location, knowledge of available services, and personal experiences.

The cost connected with existing bank accounts is scored as 2.45, indicating that transaction fees are somewhat cheap. Nevertheless, the negative skewness value of -0.076 suggests a modest inclination towards disagreement or neutral replies about affordability. This might imply that a significant portion of the public still considers these expenditures to be prohibitive.

The affordability of financial services is highly praised, with a mean rating of 2.04, indicating overall satisfaction. These findings are supported by a relatively small standard deviation of 1.065 and a skewness towards the lower end of the scale (0.257), indicating that most respondents favourably judge the quality.

Nevertheless, the kurtosis values for all three characteristics exhibit negativity, indicating a distribution that has fewer answers at the extreme ends and a propensity for evaluations to concentrate around the average. This suggests that there is general agreement among the participants, but it also emphasises the need to do more research on the outliers of the data, where individuals who are either unhappy or exceptionally pleased are found.

Upon analysing these data for the research, while inexpensive financial services are partly available and usually considered to be of good quality, there are still obstacles connected to cost that might impede the financial inclusion of the BOP sector.

**Table 7: Women's Empowerment**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| Financial Programs that target women have improved financial inclusion for women in my community. | 305 | 1 | 5 | 3.04 | 1.100 | 0.041 | .140 | 0.656 | .278 |
| I feel that financial literacy initiatives are equally accessible to women and men. | 305 | 1 | 5 | 2.92 | .544 | 0.070 | .140 | 1.771 | .278 |
| Women's entrepreneurship is adequately supported by financial institutions in my area. | 305 | 1 | 5 | 3.05 | 1.108 | 0.042 | .140 | -0.669 | .278 |
| Customized financial products for women have contributed to their economic empowerment | 305 | 1 | 5 | 3.04 | 1.119 | 0.015 | .140 | -0.708 | .278 |
| Valid N(listwise) | 305 | | | | | | | | |

*Source: Researcher's Calculations using SPSS*

The results obtained from the analysis of the 'Women's Empowerment' construct in our research provide a comprehensive and insightful overview of the present condition of financial efforts that specifically target gender issues within the community. The survey data collected from 305 respondents suggests a cautiously positive perspective towards these programmes. The average scores for the perceived enhancement in financial inclusion resulting from focused initiatives, the availability of financial education, assistance for women's business ventures, and the effects of tailored financial products all slightly exceed the midpoint of the scale, indicating an acknowledgement of their favourable impact. Nevertheless, the standard deviations, namely for the perceived enhancement in financial inclusion (1.100) and the endorsement of entrepreneurship (1.108), demonstrate a range of viewpoints, suggesting that these efforts may not be evenly affecting all women.

Upon deeper examination of the accessibility of financial literacy efforts, it is evident that the mean value is 2.92, which is rather low. However, the standard deviation of 0.544 is substantially smaller, suggesting a higher level of agreement among the respondents. This implies that while financial knowledge is reasonably easy to get, there may be other aspects of empowerment programmes that need more focus to guarantee they are successfully improving women's financial inclusion.

The minimal skewness seen across the measures shows a symmetrical distribution of answers, but the negative kurtosis values reflect a more flattened distribution, showing a wide variety of perspectives and highlighting the significant variation in experiences among women in the neighbourhood.

Within the study paper's framework, these results emphasise the intricate nature of efforts to achieve financial inclusion for women in the community. They emphasise the need to conduct a thorough assessment of current programmes to identify any deficiencies and guarantee their effectiveness in reaching and engaging all sectors of the female population. Moreover, the variety of responses suggests that although there has been some advancement, there is still potential for improvement.

a) *Opportunities associated with unlocking public and private finance for individuals at the BOP.*

In this section, the study investigated the opportunities associated with unlocking public and private finance for individuals at the BOP.

**Table 8: Branchless Banking**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| Branchless banking services are easily accessible in my area. | 305 | 1 | 5 | 3.04 | 1.014 | -0.225 | .140 | -0.413 | .278 |
| I frequently use branchless banking options for my financial | 305 | 1 | 5 | 3.76 | 1.773 | -0.867 | .140 | -1.175 | .278 |
| Branchless banking has made financial services more affordable for me. | 305 | 1 | 5 | 2.46 | 1.091 | -0.125 | .140 | -1.316 | .278 |
| The convenience of branchless banking has improved my overall | 305 | 1 | 5 | 2.47 | 1.097 | -0.108 | .140 | -1.269 | .278 |
| Valid N(listwise) | 305 | | | | | | | | |

*Source: Researcher's Calculations using SPSS*

The responses indicate that accessing branchless banking services is somewhat convenient, as seen by a mean score of 3.04 and a standard deviation of 1.014. This suggests that although some individuals can easily use these services, there is potential for enhancing accessibility to a wider range of users.

An interesting observation is the significant prevalence of branchless banking choices for conducting financial transactions, with an average score of 3.76. Nonetheless, the very large standard deviation of 1.773 indicates a substantial degree of variation in the frequency with which people use these services. This variety may indicate a digital divide, wherein some sectors of the population are more actively involved in branchless banking compared to others.

The perception of affordability resulting from branchless banking is rather low, with an average score of 2.46, which is close to the middle point of the scale. The standard deviation of 1.091 suggests a significant dispersion of opinions regarding cost advantages. These opinions may be impacted by individual financial situations or the pricing of other financial services.

The overall convenience and influence of branchless banking on banking experiences are assessed to have a mean rating of 2.47, indicating a neutral to slightly positive impact. The skewness of all items is negative, suggesting that a greater proportion of respondents score these services towards the lower end of the scale. Furthermore, the presence of negative kurtosis values indicates a distribution characterised by a reduced occurrence of extreme viewpoints and a wide agreement centred around the mean.

Within the study paper's framework, these results indicate that branchless banking serves as a prominent channel for financial inclusion, especially by providing a feasible substitute for traditional banking obstacles such as limited physical branch availability. The frequency of use underscores the capacity of branchless banking to meet daily financial requirements, while the perception of cost and ease suggests that branchless banking has the potential to be further utilized to improve the financial experiences of those who have limited access. To effectively use the potential of technology in promoting financial inclusion, it is necessary to devise methods that guarantee equal perception of the advantages of branchless banking across all demographic groups. This will help democratize the availability of financial services and facilitate inclusive economic development.

**Table 9: Awareness of Private Sector Innovations**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| How aware are you of financial innovations by the private sector for the BOP? | 305 | 1 | 4 | 2.49 | .568 | .112 | .140 | -0.64 | .278 |
| Rate the impact of private sector innovations on BOP financial inclusion. | 305 | 1 | 4 | 2.46 | .567 | -0.002 | .140 | -0.658 | .278 |
| How accessible do you find these innovative financial products/services? | 305 | 1 | 4 | 2.51 | .568 | -0.099 | .140 | -0.643 | .278 |
| Do these financial innovations meet your personal financial needs? | 305 | 1 | 4 | 2.52 | .574 | -0.071 | .140 | -0.583 | .278 |
| Valid N(listwise) | 305 | | | | | | | | |

*Source: Researcher's Calculations using SPSS*

The construct of 'Awareness of Private Sector Innovations' in our research critically examines how financial technology contributes to promoting financial inclusion among the poor population. The poll, including 305 participants, provides insights into their knowledge and the perceived influence of these developments.

The data reveals modest acknowledgement and appreciation of private sector contributions to financial inclusion, as shown by mean ratings of 2.49 for awareness, 2.46 for impact, 2.51 for accessibility, and 2.52 for addressing personal financial requirements. The measurements have low standard deviations, indicating little dispersion of answers and a broad agreement among the participants.

Although there is some awareness, the average scores indicate that there is a great opportunity to improve the visibility and knowledge of these advances in the community. The presence of a minor positive skewness in the measures suggests that a small number of respondents prefer to rank certain features more positively, while the majority's evaluations are centred around the median.

All items with negative kurtosis values indicate a more uniform distribution of answers, with a reduced number of respondents at the extreme ends of the scale. This suggests that while there may be a few exceptional experiences, most replies are concentrated around the median.

Within the study report, these results emphasise a cautious but noticeable optimism about how technology impacts financial inclusion. It implies that while the private sector's contributions are recognised, there is still a need for more widespread distribution of information and education to effectively use these advancements. The data indicates the need to prioritise improving the knowledge and availability of financial goods and services, which are essential for the BOP to overcome common obstacles such as geographical distance, absence of official financial histories, and infrastructure deficiencies.

The private sector may provide creative and scalable solutions to serve the special demands of the BOP by using technology, these solutions may enhance the development of financial ecosystems that are more inclusive, ensuring that services are not only accessible but also customised to enable individuals at the BOP to have more control over their financial choices and better chances for economic progress.

**Table 10: Experience with Collaborative Programs**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| Have you participated in collaborative financial inclusion programs involving multiple sectors? | 305 | 1 | 4 | 2.50 | .568 | .035 | .140 | -0.652 | .278 |
| Rate your satisfaction with these collaborative financial inclusion programs. | 305 | 1 | 4 | 2.47 | .568 | -0.161 | .140 | -0.686 | .278 |
| Do you think collaboration between sectors improves the quality of financial services for the BOP? | 305 | 1 | 4 | 2.53 | .566 | -0.215 | .140 | -0.365 | .278 |
| Do you think there are improvements that could better improve these collaborative financial inclusion programs? | 305 | 1 | 4 | 2.53 | .574 | -0.004 | .140 | -0.593 | .278 |
| Valid N(listwise) | 305 | | | | | | | | |

*Source: Researcher's Calculations using SPSS*

The construct of 'Experience with Collaborative Programmes' offers insight into the community's involvement with and perspective on multi-sector financial inclusion programmes. The information obtained from 305 participants reveals that the average scores for all four questions are centred around the middle. This suggests a neutral to slightly favourable attitude about the impact of partnerships in improving financial inclusion.

The average score for participation in collaborative financial inclusion programmes (2.50) and satisfaction with these programmes (2.47) indicates a modest degree of involvement and satisfaction. This suggests a fair and objective perspective, where participants see the potential for enhancing the scope and efficacy of these activities.

The view that cooperation across sectors enhances the quality of financial services for the BOP is somewhat greater, with an average of 2.53. This indicates a careful and hopeful belief in the possibility of cross-sector partnerships to improve the quality of services. Similarly, the average score for potential enhancements in collaborative programmes (2.53) demonstrates an acknowledgement that although these programmes are advantageous, there are chances to further amplify their influence.

The small standard deviations for all questions suggest that there is a general agreement among the respondents. Nevertheless, the average neutral scores indicate that there is potential for enhancing the successful communication and execution of these collaborative endeavours to improve their perceived value.

The skewness of all items is around zero or slightly negative, indicating a distribution that is either symmetrical or slightly left-leaning. This suggests that a few respondents have reported feeling less pleased or seeing less benefit than the norm. The presence of negative kurtosis values for all items suggests a distribution that is more spread out, with answers evenly distributed throughout the scale rather than concentrated at either end.

When writing a research paper on these findings, it is important to mention that although the idea of collaborative financial inclusion programmes is generally accepted, it is crucial to thoroughly evaluate the execution and results of these programmes. The data indicates the need to adopt a more strategic approach in the development and implementation of collaborative financial inclusion programmes. This approach should not only focus on making the programmes accessible but also on customising them to effectively address the specific requirements of the BOP population. These collaborations, particularly those using technology, have the potential to provide new and creative methods which address gaps to improve the overall financial environment.

*b) Strategies to enhance individuals at the bottom of the pyramid to access finance.*

The study aimed to evaluate strategies to enhance poor individuals in Mbare, Zimbabwe to access finance.

**Table 11: Perceived Role of Different Sectors**

| Question | N Statistic | Minimum Statistic | Maximum Statistic | 2.47 | Std. Deviation Statistic | Skewness Statistic | Skewness Std. Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|---|---|---|
| How effective are government policies in promoting financial inclusion for the poor? | 305 | 1 | 4 | 2.50 | .574 | .110 | .140 | -0,572 | .278 |
| Rate the significance of the private sector's role in improving financial access for the poor | 305 | 1 | 4 | 2.47 | .579 | -1,21 | .140 | -0,57 | .278 |
| Evaluate the impact of Non-Governmental Organizations (NGOs) in enhancing financial services for marginalized communities | 305 | 1 | 4 | 2.54 | .584 | -0,26 | .140 | -0,42 | .278 |
| How important is cross-sector collaboration (government, private sector, NonGovernmental Organizations (NGOs)) for effective financial inclusion? | 305 | 1 | 4 | 2.51 | .574 | .073 | .140 | -0,595 | .278 |
| Valid N(listwise) | 305 | | | | | | | | |

*Source: Researcher's Calculations using SPSS*

The construct of the 'Perceived Role of Different Sectors', analysed using data from 305 survey respondents, provides useful insights into the strategic contributions of different sectors towards financial inclusion. The average scores continuously range from 2.47 to 2.54, indicating a modest opinion of the efficacy and significance of government initiatives, the business sector, NGOs, and cross-sector cooperation in improving financial inclusion.

The effectiveness of government programmes is somewhat rated, with a mean score of 2.47. This suggests that while there are regulations in place to promote financial inclusion, their influence may be constrained by issues related to implementation or coverage. The private sector's importance in enhancing financial access is rated similarly (2.47), indicating recognition of its role, but also suggesting the possibility of a greater influence.

NGOs get a somewhat better rating (with a mean of 2.54) for their influence on providing financial services to marginalised populations, indicating a recognition of their role to promote financial inclusion. The significance of cross-sector cooperation is somewhat acknowledged (mean of 2.51), indicating an awareness of the potential benefits of such endeavours. However, the scores indicate that there is scope for enhancing these relationships.

The standard deviations of these questions (range from 0.574 to 0.584) imply a general agreement among respondents, while also suggesting some level of variation in experiences and views. The skewness of all items is almost 0, indicating a symmetric distribution of answers. The presence of negative kurtosis values indicates a distribution with a flatter peak compared to the normal distribution. This suggests that the surveyed population has a greater variety of ideas and experiences.

It is essential to analyse these results in the context of strategy development for frameworks that promote financial inclusion in the study paper. The relatively average ratings across all sectors indicate that while each area makes some contributions, there is still an unexplored potential that may be used. An effective strategic framework may include the formulation of policies that promote private sector innovation, enhance NGO activities, and facilitate joint endeavours that capitalise on the unique capabilities of each sector to create a more all-encompassing financial system. The uniform distribution of answers also implies that while some sector initiatives have been acknowledged and appreciated, there is a want for more consistent and extensive improvement in their strategies for promoting financial inclusion.

**Experience with Collaborative Programs**

Based on the data from the 'Experience with Collaborative Programmes' construct, we can conclude that the level of involvement in multi-sector financial inclusion programmes among the 305 participants questioned is fairly favourable. The average ratings of 2.50 for participation and 2.47 for satisfaction indicate that while people are participating in these programmes, there is a clear need for improvement to increase participant satisfaction.

The mean score of 2.53 suggests a modest level of optimism about the potential improvement of financial services quality via cross-sector cooperation. This demonstrates that participants recognise the value of these collaborations in upgrading the financial landscape of the BOP. Similarly, the same average score for the potential for improvement indicates that respondents recognise the efficacy of these programmes but expect more advancements to be possible.

The uniformity of respondents' impressions, as shown by the standard deviation across the questions, suggests that experiences are not notably diverse within the sample. The skewness and kurtosis values, which are near zero or slightly negative, indicate a distribution that lacks a strong bias towards either extreme ends of contentment or discontent.

These results provide a strategic roadmap for improving collaborative financial inclusion programmes. The data indicates that while these attempts are acknowledged, there is a chance to use the pooled expertise to create more influential frameworks. This may include including additional user input methods, customising programmes to satisfy distinct community requirements, and ensuring that the advantages of such cooperation are efficiently conveyed and delivered. By doing this, the efforts may be optimised to make a more meaningful contribution to the financial empowerment of the BOP.

c) *Ways in which policymakers, financial institutions, and NGOs can collaborate to enhance financial inclusion for marginalized populations.*

The study looked at how NGOs, financial institutions, and governments may collaborate to help the poor access finance. The logistic regression analysis reveals a significant impact of financial education on financial inclusion (B =.271, p.001, Exp(B) = 1.312). This suggests that there is a crucial opportunity for collaborative efforts in this field.

The results emphasize the significance of financial education in enabling people to properly use financial services, hence promoting inclusion. Therefore, policymakers are compelled to promote a regulatory framework that fosters financial education. Financial organizations may help by investing funding towards the advancement of educational tools and programs. NGOs, using their extensive local networks, may effectively execute these educational activities, guaranteeing the application of acquired information. The substantial odds ratio of 1.312 strengthens the potential impact of these training initiatives on the rates of financial inclusion.

The research found that there was no statistically substantial association between inexpensive financial services and financial inclusion. However, the positive direction (B = .150) suggests that there is an intrinsic benefit in making financial services more affordable. Policymakers can encourage the availability of affordable financial products, financial institutions can create and provide these products, and NGOs may have a significant impact in marketing these services to the community, thereby eliminating a frequent obstacle to financial inclusion.

The research also revealed the possibility of branchless banking to provide financial services to geographically distant areas, despite its non-significant coefficient (B = .111, p = .199). A cooperative strategy may include governments relaxing rules to facilitate the spread of mobile banking, financial firms allocating resources to develop the required technological infrastructure, and NGOs promoting the acceptance of these services via community involvement and education.

Empowering Women Financially: Although the negative coefficient linked to women's empowerment (B = -.050) did not reach statistical significance, it initiates a discussion on specific measures to include women in financial matters. This may include legislators endorsing gender-targeted financial initiatives, financial institutions developing customised financial products for women, and NGOs implementing specialised financial literacy programmes for women, all to promote an inclusive financial ecosystem.

Leveraging Past Collaborative Experiences: The lack of significant results relating to the perceived contribution of various sectors (p = .573) and experiences with collaborative programmes (p = .886) emphasises the need for qualitative understanding. Examining previous joint endeavours may provide valuable insights for improving the effectiveness of multi-sector collaborations in future efforts.

Maximizing the utilization of innovations from the private sector is crucial for uptake and effect, even if it does not have a substantial influence on financial inclusion in our model (B = .034, p = .770). Collaborations seek to enhance the scope of cutting-edge financial products by using common knowledge platforms and engaging in combined marketing initiatives.

**Interpretation of Findings**

Objective 1: To identify and analyse the primary barriers that prevent individuals at the BOP in Mbare from accessing financial services.

The study identified several key barriers to financial inclusion in Mbare:

1. High Transaction Costs: Many BOP individuals find the costs associated with maintaining a bank account prohibitive. This barrier is consistent with findings from Kumar (2013) and Singh (2021), which highlight how high costs and limited banking infrastructure prevent access to financial services.
2. Limited Financial Literacy: There is a significant gap in understanding basic financial concepts and the benefits of using formal financial services. This barrier aligns with Atkinson and Messy (2013), who emphasize that a lack of financial literacy often leads to financial exclusion.
3. Lack of Trust in Financial Institutions: Distrust in financial institutions is prevalent, often due to past negative experiences. This finding supports Dupas et al. (2018), who discuss systemic corruption and inefficiencies as factors contributing to distrust.

4. Inadequate Tailored Financial Products: Financial products available are not adequately tailored to meet the specific needs of the BOP population. This finding corroborates research by Gollakota (2010) and Erbil (2017), who emphasize the need for innovative financial products that cater to the BOP.
5. Gender Disparities: Women face additional barriers, including limited access to financial literacy programs and customized financial products. This finding supports Demirguc-Kunt et al. (2013), who highlight the significant gender disparities in financial access.

The identification of these barriers underscores the need for targeted interventions that address the specific challenges faced by the BOP population in Mbare. Policies and programs must focus on reducing transaction costs, enhancing financial literacy, building trust in financial institutions, developing tailored financial products, and addressing gender disparities.

Objective 2: To assess the opportunities within the current financial ecosystem that could enhance financial inclusion for the BOP in Mbare.

The study found significant opportunities for enhancing financial inclusion:

1. Branchless and Mobile Banking: These services have improved the accessibility and affordability of financial services for many BOP individuals. This finding aligns with Aziz and Naima (2021) and Dzombo (2017), who discuss the potential of mobile banking to reach underserved populations.
2. Digital Financial Services: ICT tools have made financial information more accessible and easier to understand. This supports Jack and Suri (2014), who highlight the success of digital financial services like M-Pesa in Kenya.
3. Innovative Financial Products: There is potential for new financial products that cater specifically to the needs of the BOP population, such as micro-savings and micro-insurance products. This finding corroborates research by Gollakota (2010) and Erbil (2017).

The opportunities identified suggest that leveraging technology and innovative financial products can significantly enhance financial inclusion for the BOP in Mbare. Financial institutions should invest in mobile and branchless banking solutions and develop products that are affordable, accessible, and relevant to the needs of the BOP population.

Objective 3: To develop strategic recommendations for unlocking public and private finance that are tailored to the unique context of the BOP in Mbare.

The study proposed several strategic recommendations:

1. Enhanced Financial Literacy Programs: Targeted programs to improve understanding of financial concepts and decision-making among the BOP. This aligns with Klapper et al. (2015), who emphasize the importance of financial education in promoting financial inclusion.

2. Support for Women's Financial Inclusion: Initiatives to provide tailored financial products and support services for women entrepreneurs. This finding supports Demirguc-Kunt et al. (2013) and Sahay et al. (2015), who highlight the need to address gender disparities in financial access.

3. Public-Private Collaboration: Strengthening collaborations between government, private sector, and NGOs to develop and implement inclusive financial strategies. This aligns with Johnson and Arnold (2012) and Pant and Pant (2016), who discuss the importance of multi-stakeholder collaborations.

4. Innovative Use of Technology: Leveraging mobile and digital platforms to increase financial service accessibility and affordability. This finding supports Aziz and Naima (2021) and Jack and Suri (2014), who highlight the potential of digital financial services.

The strategic recommendations provide a roadmap for policymakers, financial institutions, and development organizations to enhance financial inclusion for the BOP in Mbare. By focusing on financial literacy, women's financial inclusion, public-private collaborations, and the innovative use of technology, stakeholders can develop effective strategies to unlock public and private finance and promote inclusive economic growth.

The findings of this study have several implications for the broader field of financial inclusion. The study highlights the importance of context-specific interventions that consider the unique socio-economic dynamics of urban BOP populations in African settings. This underscores the need for localized research and tailored strategies. The significant role of technology in enhancing financial inclusion suggests that digital financial services and mobile banking should be integral components of financial inclusion strategies. Future research should explore the long-term impact of these technologies on financial inclusion. Addressing gender disparities in financial access is crucial for achieving inclusive financial systems. Financial inclusion strategies must incorporate gender-sensitive approaches that empower women economically. The effectiveness of public-private collaborations in promoting financial inclusion underscores the need for coordinated efforts among various stakeholders. Future research should examine the best practices for fostering successful collaborations.

## 4.6 Inferential Statistics

### *4.6.1 Correlation analysis*

The secondary objective of the research was to study the interrelationships among the factors. The results are displayed in Table 4.8. Analysing correlations establishes the existence of a correlation between two variables or elements. A correlation coefficient (R-value) of -1 indicates a robust negative association, while a coefficient of +1 signifies a strong relationship. The association between the variables under study was assessed using Pearson correlation. Correlation analysis offers two main benefits: it expedites hypothesis testing and assists organizations in identifying variables that require further investigation.

**Table 12: Correlations**

| | | Financial_Inclusion | Financial_Education | Affordable_financial_services | Branchless_Banking | Womens_Empowerment | Perceived_Role_of_Different_Sectors | Experience_with_Collaborative_Programs | Awareness_of_Private_Sector_Innovations |
|---|---|---|---|---|---|---|---|---|---|
| Financial_Inclusion | Pearson Correlation | 1 | .740** | .671** | .765** | .173** | .116* | .098* | .098* |
| | Sig. (1-tailed) | | 0,000 | 0,000 | 0,000 | 0,001 | 0,022 | 0,044 | 0,043 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Financial_Education | Pearson Correlation | .740** | 1 | .725** | .824** | .227** | 0,056 | 0,047 | 0,012 |
| | Sig. (1-tailed) | 0,000 | | 0,000 | 0,000 | 0,000 | 0,163 | 0,207 | 0,415 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Affordable_financial_services | Pearson Correlation | .671** | .725** | 1 | .854** | .270** | .102* | 0,056 | 0,083 |
| | Sig. (1-tailed) | 0,000 | 0,000 | | 0,000 | 0,000 | 0,038 | 0,165 | 0,075 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Branchless_Banking | Pearson Correlation | .765** | .824** | .854** | 1 | .312** | .118* | 0,089 | .111* |
| | Sig. (1-tailed) | 0,000 | 0,000 | 0,000 | | 0,000 | 0,020 | 0,059 | 0,027 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Womens_Empowerment | Pearson Correlation | .173** | .227** | .270** | .312** | 1 | -0,032 | 0,004 | -0,019 |
| | Sig. (1-tailed) | 0,001 | 0,000 | 0,000 | 0,000 | | 0,290 | 0,475 | 0,373 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Perceived_Role_of_Different_Sectors | Pearson Correlation | .116* | 0,056 | .102* | .118* | -0,032 | 1 | .855** | .678** |
| | Sig. (1-tailed) | 0,022 | 0,163 | 0,038 | 0,020 | 0,290 | | 0,000 | 0,000 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Experience_with_Collaborative_Programs | Pearson Correlation | .098* | 0,047 | 0,056 | 0,089 | 0,004 | .855** | 1 | .690** |
| | Sig. (1-tailed) | 0,044 | 0,207 | 0,165 | 0,059 | 0,475 | 0,000 | | 0,000 |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |
| Awareness_of_Private_Sector_Innovations | Pearson Correlation | .098* | 0,012 | 0,083 | .111* | -0,019 | .678** | .690** | 1 |
| | Sig. (1-tailed) | 0,043 | 0,415 | 0,075 | 0,027 | 0,373 | 0,000 | 0,000 | |
| | N | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 305 |

**. Correlation is significant at the 0.01 level (1-tailed).
*. Correlation is significant at the 0.05 level (1-tailed).

*Source: Researcher's Calculations using SPSS*

a) *Financial Inclusion and Related Constructs:*

The analysis reveals a significant correlation ($r = 0.765$, $p < 0.001$) between Financial Inclusion and Branchless Banking, suggesting that the existence of branchless banking is vital in achieving financial inclusion. This correlation emphasises the ability of branchless banking to access underserved communities. Furthermore, there exists a significant and undeniable correlation between Financial Inclusion and both Financial Education ($r = 0.740$, $p < 0.001$) and Affordable Financial Services ($r = 0.671$, $p < 0.001$). These correlations suggest that educational initiatives and service expenses are pivotal determinants in the establishment of inclusive financial systems.

*b) The Role of Branchless Banking:*

Branchless Banking is identified as a crucial factor, demonstrating strong associations with Financial Education ($r = 0.824$, $p < 0.001$) and Affordable Financial Services ($r = 0.854$, $p < 0.001$). These results indicate that branchless banking serves as a connection between the educational and economic components of financial systems, potentially leading to increased financial accessibility and utilisation.

*c) Women's Empowerment:*

Women's Empowerment has a moderate positive correlation with a Financial Inclusion correlation coefficient of 17.3% and a p-value of 0.001. However, this link is somewhat less compared to other financial variables, while it is still statistically significant. This suggests that there is a connection between women's empowerment and their financial inclusion. However, it is necessary to do further research to completely comprehend the underlying dynamics and determine the extent of this relationship.

d) *Sectorial Perception and Collaboration:*

The study provides insight into the perceived role of various sectors and its modest association with knowledge of private-sector innovations ($r = 0.678$, $p < 0.001$), suggesting that recognizing the diverse roles played by sectors is linked to increased awareness of innovations. Furthermore, there is a strong positive correlation ($r = 0.690$, $p < 0.001$) between having experience with collaborative programs and being aware of private-sector innovations. This implies that participating in collaborative programs may improve one's knowledge and acceptance of new practices in the financial industry.

e) *Implications of the Findings:*

The correlations between most constructs exhibit statistical significance at the 0.1% level, indicating strong evidence that these associations are not random. These results have significant ramifications for politicians, financial institutions, and educational organizations aiming to create an atmosphere that promotes financial inclusion and empowerment. The research underscores the need for integrated methods that consider the interconnectedness of various variables and the complex structure of financial systems.

*4.6.2 Model Summary*

**Table 13: Omnibus Tests**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 113.303 | 7 | <.001 |
| | Block | 113.303 | 7 | <.001 |
| | Model | 113.303 | 7 | <.001 |

*Source: Researcher's Calculations using SPSS*

The Omnibus Tests from the logistic regression analysis provide a chi-square value of 113.303 with 7 degrees of freedom, suggesting a highly significant model ($p < 0.001$). The findings suggest that the independent variables incorporated in the model make a substantial contribution to predicting the binary dependent variable. Moreover, the model exhibits a more accurate alignment with the data in comparison to a null model that lacks any predictors.

**Table 14: Hosmer and Lemeshow Test**

| Step | Chi-square | df | Sig. |
|---|---|---|---|
| 1 | 11.021 | 8 | .201 |

*Source: Researcher's Calculations using SPSS*

The Hosmer and Lemeshow Test in the logistic regression output produces a chi-square value of 11.021 with 8 degrees of freedom and a significance level of .201. This test serves as an assessment of the suitability of logistic regression models. A non-significant outcome, which is usually desirable, indicates that the model's predictions are not statistically different from the actual values. Since the p-value exceeds the standard alpha threshold of 0.05, we are unable to reject the null hypothesis, suggesting that the model is a good fit for the data. There is no evidence suggesting that the model fails to accurately correspond with the data. Hence, given that all other assumptions and diagnostics of the logistic regression are satisfied, the model may be considered appropriate for the data at hand.

**Table 15: Logit Regression Model**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1a | Financial_Education | .271 | .068 | 16.052 | 1 | <,001 | 1.312 |
| | Affordable_financial_services | .150 | .101 | 2.180 | 1 | .140 | 1.161 |
| | Branchless_Banking | .111 | .086 | 1.651 | 1 | .199 | 1.117 |
| | Womens_Empowerment | -.050 | .042 | 1.400 | 1 | .237 | .951 |
| | Perceived_Role_of_Different_Sectors | .094 | .166 | .317 | 1 | .573 | 1.098 |
| | Experience_with_Collaborative_Programs | .025 | .177 | .021 | 1 | .886 | 1.026 |
| | Awareness_of_Private_Sector_Innovations | .034 | .117 | .085 | 1 | .770 | 1.035 |
| | Constant | -6.029 | 1.241 | 23.615 | 1 | <,001 | .002 |

a Variable(s) entered on step 1: Financial_Education, Affordable_financial_services, Branchless_Banking, Womens_Empowerment, Perceived_Role_of_Different_Sectors, Experience_with_Collaborative_Programs, Awareness_of_Private_Sector_Innovations.

*Source: Researcher's Calculations using SPSS*

The logistic regression model demonstrates that Financial Education is a statistically significant predictor of financial inclusion, with an odds ratio of 1.312. Consequently, a rise in financial education is linked to a 31.2% surge in the likelihood of achieving financial inclusion, while keeping all other factors the same. This discovery emphasises the crucial significance of financial literacy in facilitating people's engagement in financial systems.

The variables reflecting Affordable Financial Services and Branchless Banking, yet lacking statistical significance, had favourable correlations with financial inclusion. These findings indicate that while the presence of inexpensive services and the capacity to access branchless banking are logically connected to financial inclusion, their separate impacts could not be identified in the framework of this study. It is possible that their effects are influenced by other variables or that their impact is spread out across the population being investigated.

Surprisingly, the coefficient for Women's Empowerment was negative, although this link was not statistically significant. This paradoxical outcome requires more examination, as it might indicate intricate interactions between empowerment and financial inclusion, or it may indicate the necessity for a more refined gauge of empowerment.

The impacts of the Perceived Role of Different Sectors, Experience with Collaborative Programmes, and Awareness of Private Sector Innovations were shown to be statistically insignificant. This may be attributed to several causes, including the existence of unmeasured confounding variables or the need for a more precise measuring method to accurately capture the actual impact of these factors.

The presence of a substantial negative constant in the model may indicate an inherent predisposition towards financial exclusion among the individuals in the sample, which is not explained by the variables included in the model.

Our findings indicate a complex situation in which financial education stands out as a distinct and effective strategy for interventions aiming at enhancing financial inclusion. Nevertheless, the lack of importance in other factors necessitates a careful interpretation and implies that a comprehensive strategy, adding other variables not accounted for in this model, may be required to completely comprehend and improve financial inclusion.

# Chapter 5: Conclusions and Recommendations

## 5.1 Introduction

The study's objective was to investigate the barriers, opportunities, and strategies associated with unlocking public and private finance for individuals at the bottom of the pyramid. To achieve this goal, four objectives were formulated: (1) identify the key challenges and barriers to access to finance for individuals at the BOP; (2) assess various opportunities associated with unlocking public and private finance for individuals at the BOP; (3) identify the most effective and sustainable ways to expand avenues to finance for individuals in Mbare, Zimbabwe at the BOP; and (4) investigate ways in stakeholders can collaborate to enhance financial inclusion for marginalized populations. This chapter presents a concise overview of the primary findings, the derived conclusions, and the suggested recommendations based on the study.

## 5.2 Summary of the Study

This section presents the summary of research findings as guided by the research objectives.

a) *Barriers to accessing financial services for individuals at the BOP***.**

The research aimed to ascertain the barriers encountered by individuals at the BOP while seeking to access financial services. It sought to identify barriers encountered by those at the BOP in their access to financial services. The findings indicate a significant perceived obstacle in getting crucial financial services, with a mean score of 1.58. This suggests that the main problem is not related to basic banking access. Documentation requirements for banking services are also notably strict, with a minimum of 2.65 documents needed for savings accounts and 2.91 documents needed for payments. This suggests a lack of active involvement or participation. Kumar (2013) and Tuesta (2015) emphasize the fundamental role of basic banking access as the first step towards financial inclusiveness. These challenges, including the demanding minimum balance requirements, reflect the need for operational efficiency and systemic flexibility in financial institutions, as discussed by Anshu Singh (2021) and Wentzel (2013, 2016).

Additional notable challenges include the lack of neighbouring banking institutions and demanding minimum balance requirements. Obstacles such as distance to facilities and gender discrimination were shown to be important factors hindering access. These problems resulted in infrequent usage of financial services. The findings align with the study carried out by Ozili (2021), which highlights that severe poverty and accessibility challenges significantly hinder financial inclusion.

The survey reveals a mostly favourable response, with participants recognizing the importance of financial education in augmenting comprehension of essential financial principles. Nevertheless, the effect of financial education on actual financial decision-making is not as substantial. This indicates a need for financial education initiatives that are not just educational but also practical and relevant to the everyday financial activities and choices of the BOP people. The research demonstrates that the average answer for the impact of financial education on comprehending financial concepts is 2.76. However, the value decreases to 2.11 when evaluating the impact of financial education on decision-making. These statistics indicate that while individuals possess comprehension of financial concepts, their ability to effectively use this knowledge in actual decision-making is limited. This underscores a deficiency in financial education programs, as theoretical knowledge is not effectively converting into improved financial conduct. This gap echoes the findings of Atkinson and Messy (2013), and Cohen and Nelson (2011). These authors stress the importance of not just financial education but also its practical application, which is crucial for proactive financial decision-making and a deeper understanding of financial products, risks, and opportunities.

The findings indicate that inexpensive financial services have a moderate level of accessibility, with a mean score of 2.67. This suggests that while these services are available, there are still obstacles that prevent easy access. The cost associated with current bank accounts is generally seen as significantly more favourable, with an average rating of 2.45. This is consistent with the introduction of 'no-frills' accounts and digital finance solutions, as noted by Ozili (2018) and Nandru (2015). However, there is little inclination towards disagreement or indifferent comments about affordability. The inexpensive financial services have received a good rating (mean 2.04), suggesting that the respondents are generally satisfied with their quality. Nevertheless, these statistics also indicate the need for more enhancements in affordability and availability to augment financial inclusivity. Gutiérrez (2015) points out, that the integration of enabling institutions and technology is crucial in overcoming these barriers and enhancing the effectiveness of financial inclusion at the BOP.

The data indicates a cautiously positive perspective on financial programs that concentrate on empowering women. The average ratings for enhancement in financial inclusion because of focused initiatives, availability of financial education, backing for women's business ventures, and the effects of tailored financial offerings are all above the midpoint of the scale, indicating an acknowledgement of their favourable impact. This correlates with the research by Siddik (2017) and Fareed (2017). These studies highlight the significant impact of gender-specific financial programs on women's socio-economic status. Nevertheless, the variations in standard deviations indicate a range of viewpoints, indicating that these programs may not have a consistent influence on all women

b) *Opportunities associated with unlocking public and private finance for individuals at the BOP.*

The research examined the potential for individuals employed at the BOP to get funding from both public and private sources. The primary results on branchless banking reveal that there is a moderate level of convenience in accessing these services, with an average rating of 3.04. This mirrors the findings of Aziz and Naima (2021) and Dzombo (2017). These researchers have demonstrated that digital financial services, such as financial services accessible on mobile phones, have a substantial impact in addressing the lack of physical access, especially in regions with limited traditional banking facilities. Additionally, there is a high frequency of use, with an average rating of 3.76. However, it is important to note that the utilisation of branchless banking differs greatly across people. The cost-effectiveness of branchless banking (mean 2.46) and its overall influence on banking experiences (mean 2.47) are seen as being neither very positive nor negative, leaning somewhat towards the positive side. These observations indicate that branchless banking is a feasible substitute for conventional banking, providing a means to achieve financial inclusion despite some variations in how it is perceived and used.

The results on the knowledge of Private Sector Innovations suggest that there is a modest level of knowledge and influence of these innovations, as shown by mean scores of around 2.5. There is a broad agreement among the participants regarding this matter. The research indicates the possibility of improving the visibility and comprehension of these technologies, emphasizing the need to improve the spread of knowledge and education to maximize their advantages for financial inclusion. Lassaga (2012) and the research done by Demirgüç-Kunt (2018) and Bisht and Mishra (2016) highlight the transformative potential of strategies by the private sector and financial innovations in the FinTech sector. These innovations, which are crucial in enhancing financial inclusion and integrating disadvantaged individuals into formal financial systems, necessitate improved visibility and understanding, as suggested by research.

The results from the experience with collaborative programs suggest that there is a generally neutral to slightly favourable perception of multi-sector financial inclusion programs. The degree of participation and satisfaction with these programs is modest, with averages of 2.50

and 2.47, respectively. Survey participants see the possibility of enhancing the quality of financial services via cooperation, as shown by a mean score of 2.53. However, they also accept that there is still an opportunity for additional improvements, with a mean score of 2.53. Overall, the evidence indicates that while cooperation is well-received, there is room for improvement in its execution to have a more significant effect. Research suggests that while these programs are well-received, there is a clear need for improvement in their execution to have a more significant effect. This is in line with the literature which calls for reimagining business strategies and leveraging mobile technology to enhance the performance and outreach of microfinance initiatives, particularly in the BOP segment. Singh (2016), Seelos (2007), and Mohamad (2011)

c) *Strategies to enhance financial services to the poor in developing countries.*

The research aimed to evaluate BOP strategies for enhancing financial inclusion among individuals in developing countries. The "Perceived Role of Different Sectors" indicates a modest level of confidence in the ability of different sectors to improve financial inclusion, as shown by mean scores ranging from 2.47 to 2.54. This mirrors the existing research by Arun and Kamath (2015) and Pauw (2015) highlighting the significant roles played by both government initiatives and the private sector in promoting financial inclusion. Government programs like India's "Pradhan Mantri Jan Dhan Yojana" and private sector contributions in Zambia exemplify these roles.

Both government programs and the private sector received a score of 2.47, suggesting the potential for more influence. NGOs received a significantly better rating of 2.54, indicating that their contribution is acknowledged. Lal (2021) points out the importance of NGOs in connecting people to the financial system and addressing socio-economic challenges. Cross-sector cooperation achieved a score of 2.51, indicating the possibility of enhancing synergies further. The range of standard deviations (0.574 to 0.584) indicates a general agreement with little variations in experiences.

The results of the 'Experience with Collaborative Programs' construct indicate a fairly favourable involvement with multi-sector financial efforts, with average scores for participation and satisfaction at 2.50 and 2.47, respectively. Conroy, Parreñas, and Manupipatpong (2009), and Waema and Omwansa (2015) have discussed the effectiveness of collaborative programs, including public-private partnerships, in integrating people into the financial system. The evaluation of quality improvement via cross-sector cooperation yielded a score of 2.53, suggesting that there are acknowledged advantages to these programs, but there is also a need for further development. The skewness and kurtosis values, which are both close to zero, indicate a well-balanced distribution of viewpoints among the 305 respondents. This suggests a consensus among the respondents.

d) *Collaboration between policymakers and financial institutions, to enhance financial inclusion for marginalized populations.*

Using strong statistical analysis, the study highlights the profound capacity of financial education to bring about change. It uncovers a substantial correlation ($B = .271$, $p < .001$, $Exp(B) = 1.312$) and accentuates the need for collaborative efforts to advance financial education. These findings align with the views of Figart (2013) and underscore the necessity of holistic policies for financial empowerment.

Although there was no statistically substantial association connecting cheap financial services and being financially included, the positive trend ($B = .150$) indicates the significance of cost reduction in collaborative endeavours. This reflects the discussions around 'no-frills' accounts and digital finance solutions for low-income populations, as noted by Ozili (2018) and Nandru (2015).

Branchless banking, while its coefficient ($B = .111$, $p = .199$) is not statistically significant, is identified as a strategic approach to expanding financial services to distant locations. This calls for coordinated efforts in regulatory support, technical investments, and community participation. This complements the findings of Aziz and Naima (2021) and Dzombo (2017), as their studies highlight the role of branchless banking in bridging physical access gaps, particularly in remote areas.

The investigation of Women's Empowerment, albeit not statistically significant ($B = -.050$, $p = .237$), motivates focused efforts to overcome gender-specific obstacles to financial participation, pushing for laws, tools, and programs suited to women. The results further emphasize the need to obtain a qualitative understanding of previous joint endeavours ($p = .573$) and the perceived influence of various sectors ($p = .886$) to successfully shape future initiatives. The focus on overcoming gender-specific obstacles in financial participation aligns with the research by Siddik (2017) and Fareed (2017), which point out the importance of financial initiatives specifically designed to promote the empowerment of women.

Although the research found that awareness of private sector innovations did not have a significant influence (B = .034, p = .770), it suggests that collaborative initiatives may be used to enhance the effectiveness of new financial products. This can be achieved via shared information platforms and combined marketing activities. The study presents a detailed framework based on statistical facts, to empower marginalized communities by bringing together different sectors to work together for inclusive financial prosperity. This indicates the need for collaborative initiatives to enhance the effectiveness of new financial products.

*Generalizability of the Results*

**In Zimbabwe:** The results of this study are likely generalizable to other urban townships in Zimbabwe with similar socio-economic conditions. Mbare is representative of many high-density suburbs in Zimbabwe that face similar challenges in terms of financial inclusion. However, rural areas in Zimbabwe, which may have different economic activities and infrastructure, could exhibit different barriers and opportunities for financial inclusion.

**In Other African Countries:** The findings may be partially generalizable to other African countries, particularly those with comparable urban settings and economic structures. Urban areas across many African countries face similar issues of financial exclusion, high levels of informal economic activities, and challenges in accessing financial services. However, cultural, regulatory, and infrastructural differences may influence the extent to which the findings apply.

**Globally:** While some insights from this study can inform global discussions on financial inclusion, particularly in urban settings in developing countries, the specific context of Mbare must be taken into account. Financial inclusion strategies that work in Mbare may need to be adapted to fit different socio-economic, cultural, and regulatory environments globally. The unique challenges and opportunities identified in Mbare provide valuable lessons, but their direct applicability may vary widely depending on the local context.

### 5.3 Conclusions

The research assessed several variables which affect financial inclusion. The research determined that enhancing financial education can result in a 0.312 rise in individuals being financially included, assuming all other factors stay the same. The research found that a rise in affordable financial services would result in a 0.161 rise in being financially included, assuming all other factors do not change. The analysis indicates that branchless banking will increase financial inclusion by 0.117, assuming all other factors remain unchanged. Women's empowerment is projected to increase financial inclusion by 0.951, assuming all other factors remain the same. The perceived involvement of various sectors will increase financial inclusion by 0.098, assuming all other factors remain unchanged. Additionally, participation in collaborative programmes will increase financial inclusion by 0.026, with no changes to other variables. The results also suggested that an increase in private sector innovations would result in a 23.9% rise in financial inclusion, holding all other variables constant. The study's findings demonstrate that financial inclusion encounters various obstacles, including poverty, stringent documentation prerequisites, extensive travel distances, gender bias, and increased transaction expenses. The findings indicate that individuals with a low income and insufficient documentation face obstacles in acquiring a bank account. Improvements to the administrative system are necessary to enhance the reach of financial services, especially for individuals in the lower socioeconomic stratum. In order to enhance the economic well-being of individuals and facilitate funding for company startups, it is imperative to prioritise the resolution of the financial inclusion problem.

### 5.4 Recommendations

a) *For Policymakers:*

To enhance financial inclusion for the BOP population in Mbare, Zimbabwe, and similar urban African settings, policymakers should focus on reducing transaction costs through subsidies and regulatory reforms and promoting competition among financial service providers. They should support comprehensive financial literacy programs, including community-based education, school curricula integration, and NGO partnerships. Building trust in financial institutions through transparency, consumer protection laws, and customer feedback mechanisms is essential. Policymakers should encourage the development of tailored financial products, such as micro-savings, micro-credit, and micro-insurance, and offer flexible payment options.

b) *For Financial Institutions:*

Financial institutions should create, and market financial products specifically designed for individuals in the BOP segment. They should improve accessibility by offering services at customers' homes and increasing the number of collection points. Banks could offer flexible loan repayment options to customers, allowing them to repay their loans in smaller daily or weekly instalments based on their daily earnings, in return for discounts.

*c) For NGOs:*

NGOs should participate in financial education initiatives within the community and form partnerships with financial institutions to expand outreach to those at the BOP. They should work together with banks to enable a more extensive and diverse strategy for promoting financial inclusion. They should target interventions that address specific needs within the BOP population. If financial literacy emerges as a key issue, NGOs could design educational programs to enhance financial knowledge and decision-making skills.

*d) BOP Individuals:*

BOP individuals should take advantage of financial education programs to improve their understanding of financial concepts, which can help them make informed decisions about saving, borrowing, and investing. Engaging with branchless banking services and ICT tools can provide easier access to financial services. BOP individuals should explore mobile banking options, which often have lower costs and greater accessibility.

Participating in community programs and seeking information from NGOs and development organizations can provide valuable support in navigating financial services. This includes accessing training on financial management and entrepreneurship. BOP individuals should actively participate in advocacy efforts to improve financial inclusion policies and services. By voicing their needs and challenges, they can help shape more effective and inclusive financial solutions.

## 5.5 Avenues for Future Research

*a) Comparative Studies Across Different Socio-Economic Contexts:*

Future research could benefit from comparing financial inclusion strategies and their effectiveness across various socio-economic contexts. Studies could focus on different countries or regions with varying levels of financial inclusion to understand how context influences the effectiveness of financial inclusion strategies. This approach would help in identifying context-specific strategies that are most effective in enhancing financial inclusion.

*b) Disaggregation of Financial Inclusion Parameters:*

It would be valuable to disaggregate financial inclusion parameters and examine their impact on specific aspects of socioeconomic development. Future studies could scrutinize how different variables uniquely contribute to the growth of an economy.

*c) Studies to Assess Long-term Impacts:*

Performing studies on the same individuals to evaluate the long-term effects of these factors influencing financial inclusion, would provide deeper insights into their sustainability and effectiveness over time. Such studies could track changes in financial behaviours, economic well-being, and empowerment among BOP individuals over extended periods.

*d) Focus on Gender-Specific Barriers and Solutions:*

To prioritise women's empowerment in financial inclusion, future research should concentrate on identifying and addressing barriers that are specific to gender. Studies could explore the effectiveness of targeted financial products and educational programs designed for women, and how these contribute to their economic empowerment and broader societal impacts.

*e) Integration of Technological Innovations:*

With the rapid advancement of technology, future studies could explore how emerging technologies can be leveraged to enhance financial inclusion. This could include studies on the adoption of these technologies among the BOP population and their impact in accessing financial services.

*f) Impact of Regulatory Frameworks and Policies:*

Investigating the impact of different regulatory frameworks and policies on financial inclusion would be beneficial. This could involve analysing how various policy interventions (such as banking regulations, microfinance policies, and digital finance guidelines) impact the accessibility and effectiveness of financial services for marginalized communities.

*g) Qualitative Studies on Personal Experiences and Perceptions:*

In addition to quantitative research, future studies could employ qualitative methods to acquire extreme insights into individual encounters and perceptions regarding financial inclusion. This could involve interviews, focus groups, and case studies to gather rich, detailed insights into the challenges and opportunities faced by individuals at the BOP.

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## Appendices

# Questionnaire

**Demographic Information**

1. **Gender:**

Male [ ]  Female [ ]

2. **Age Group:**

| Below 30yrs | 31-40 yrs | 41-50 yrs | Above 50 |
|---|---|---|---|
| | | | |

3. **Highest Level of Education:**

| No education | Primary level | Secondary level | Tertiary level |
|---|---|---|---|
| | | | |

4. **Employment Status:**

| Not employed | Self-employed | Employed |
|---|---|---|
| | | |

5. **Where do you stay?**

| Urban | Rural | Other |
|---|---|---|
| | | |

6. **Do you have a mobile device?**

| Yes | No |
|---|---|
| | |

**Construct: Financial Inclusion**

7. **Do you have a bank account?**

| Yes | No |
|---|---|
| | |

8. **I regularly use my banking account to make savings.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

9. **I regularly use my banking account to make payments.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**Construct: Financial Education**

***10.*** **Financial education has helped my understanding of basic financial concepts such as savings, interest rates, and loans.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**11. To what extent do you believe that your financial education has positively influenced your financial decision-making?**

| No influence at all | Minor influence | Moderate influence | Significant influence | Extremely influential |
|---|---|---|---|---|
| | | | | |

**12. ICT (Information and Communication Technology) tools have made financial information more accessible and easier to understand.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**Construct: Affordable financial services**

**13. How accessible are affordable financial services to you?**

| Not at all accessible | Slightly accessible | Moderately accessible | Very accessible | Extremely accessible |
|---|---|---|---|---|
| | | | | |

**14. Do you find the transaction costs associated with your current bank account to be affordable?**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**15. Quality of Services: Rate the quality of affordable financial services.**

| Very Poor Quality | Poor Quality | Average Quality | Good Quality | Excellent Quality |
|---|---|---|---|---|
| | | | | |

**Construct: Branchless Banking**

**16. Branchless banking services are easily accessible in my area.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**17. I frequently use branchless banking options for my financial transactions.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**18. Branchless banking has made financial services more affordable for me.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**19. The convenience of branchless banking has improved my overall banking experience.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**Construct: Women's Empowerment**

***20.* Financial programs that target women have improved financial inclusion for women in my community.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

***21.* I feel that financial literacy initiatives are equally accessible to women and men.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

***22.* Women's entrepreneurship is adequately supported by financial institutions in my area**.

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

***23.* Customized financial products for women have contributed to their economic empowerment.**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**Construct: Perceived Role of Different Sectors**

***24.* How effective are government policies in promoting financial inclusion for the poor?**

| Ineffective | Somewhat Ineffective | Neutral | Somewhat Effective | Very Effective |
|---|---|---|---|---|
| | | | | |

***25.* Rate the significance of the private sector's role in improving financial access for the poor.**

| Very Insignificant | Somewhat Insignificant | Neutral | Somewhat Significant | Very Significant |
|---|---|---|---|---|
| | | | | |

***26.* Evaluate the impact of Non-Governmental Organizations (NGOs) in enhancing financial services for marginalized communities**.

| No Impact | Minor Impact | Moderate Impact | Significant Impact | High Impact |
|---|---|---|---|---|
| | | | | |

***27.* How important is cross-sector collaboration (government, private sector, NonGovernmental Organizations (NGOs)) for effective financial inclusion?**

| Not Important at All | Slightly Important | Moderately Important | Very Important | Extremely Important |
|---|---|---|---|---|
| | | | | |

**Construct: Experience with Collaborative Programs**

*[Collaborative programs are programs that involve government, private sector, and nongovernmental organizations.]*

***28.*** **Have you participated in collaborative financial inclusion programs involving multiple sectors?**

| Never | Rarely | Sometimes | Often | Frequently |
|---|---|---|---|---|
| | | | | |

***29.*** **Rate your satisfaction with these collaborative financial inclusion programs.**

| Very Dissatisfied | Somewhat Dissatisfied | Neutral | Somewhat Satisfied | Very Satisfied |
|---|---|---|---|---|
| | | | | |

***30.*** **Do you think collaboration between sectors improves the quality of financial services for the BOP?**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

***31.*** **Do you think there are improvements that could better improve these collaborative financial inclusion programs?**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |

**Construct: Awareness of Private Sector Innovations**

***32.* How aware are you of financial innovations by the private sector for the BOP?**

| Not Aware | Slightly Aware | Moderately Aware | Very Aware | Highly Aware |
|---|---|---|---|---|
| | | | | |

***33.* Rate the impact of private sector innovations on BOP financial inclusion.**

| Not Impactful | Slightly Impactful | Moderately Impactful | Very Impactful | Highly Impactful |
|---|---|---|---|---|
| | | | | |

***34.* How accessible do you find these innovative financial products/services?**

| Very Inaccessible | Somewhat Inaccessible | Moderately Accessible | Very Accessible | Extremely Accessible |
|---|---|---|---|---|
| | | | | |

***35.* Do these financial innovations meet your personal financial needs?**

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| | | | | |