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**Expanding rural Women’s access to credit facilities through the use of mobile banking in Uganda**

Over the years, rural women have not been having easy access to credit facilities. Majority of women do not have bank accounts and other needed credit references to be able to obtain loans from any financial institution. Financial institutions are also not available in most rural communities in Uganda. This delinked the community from access to financial institutions and therefore, the establishment of mobile banking in rural setup would increase the access to loans among women. Lack of financial institutions and required credit references have made getting access to credit facilities to be difficult for women. This has forced most women in rural setup to depend on their spouses. However, women make up 40% of the global workforce ( World Bank 10). Several sectors which are critical for the economic growth in some of the poorest countries rely on women for sustainability. It is estimated that 30-40% of small and medium enterprises (SME) are owned by women and therefore, women play a critical role in the growth of developing countries like Kenya (Mugabi 8). These businesses are in financial needs of an estimated $5billion a year. It is a big barrier to the economic growth of Uganda and therefore, establishing mobile banking would facilitate credit accessibility to women in a rural setup.

Although Uganda government has taken some initiatives to facilitate accessibilities to credit facilities for women in a rural setup, the gap is still huge. A survey by the World Bank indicates that only 5% of women in rural setup are access to loans for business (Isaac 20). Nearly 90% of Ugandan rural women do not have access to credit and therefore, cannot start enterprises and run a business efficiently (Isaac 14). Studies have also indicated that rural women run a small business and most of these businesses are not sustainable because of lack of enough capital for business expansion. And therefore, the profits from their business are only meant for domestic needs, which give them the shortest lifespan in business. The lack of credit facilities reduces women to beggars and in most cases, their business is controlled by their spouses, in which they can be sent away anytime without proper explanation. It is worth stated that these have made many women live in poverty and it could be the result of high poverty index in Uganda. First, there is a lack of enough financial institutions in the rural setup and this barriers woman from getting loans to start and expand their business (Fiaklou, Ntiamoah and Kwamega 15). Most women do not have banks accounts and collateral which are required by nearly all banks for one to access credit and therefore, it is barriers for women accessibility to credit facilities. However, with mobile banking, most women can access loans from a financial institution and make repayment without much difficulty. This paper, therefore, looks into how women accessibility to credit can be improved through mobile banking and some of the barriers which still exist.

**Literature review**

The literature review was completed using several journals and peer-reviewed obtained credible source. The review provides details impact of lack of credit facilities for rural women in business. Fiaklou, Ntiamoah, and Kwame (25) stated that women are the strength of many families in most developing countries. Research indicates that women are the breadwinner of almost 45% of families in rural setup (Fiaklou, Ntiamoah and Kwamega 21). And therefore, lack of business activities among women affect the entire community. According to the World Bank Group report (32), a society where women are not engaged the poverty index is also high. In Uganda, women are involved in small business for daily sustainability and therefore, could be able to sustain their families. However, lack of access to credit facilities among women increases the poverty index, violence against women and also promotes cultural practices, which discriminate women. As stated by Isaac (28) financial independent cannot be compelled to admit discriminating cultural practices. Providing access to credit facilities offer women with opportunities make both end meet and therefore, they can be able to stand on their own.

Studies have established that the rate of poverty is high in most rural areas and this could be because most women in rural setup do not have any business activities (Allam 26). According to the World Bank, the poverty index in Uganda among the women is 19.8% as per 2016 survey ( World Bank 12). The poverty is lack of money to meet most their basic needs and in rural Uganda, 65% of women cannot meet their basic needs. It means that almost 65% of women in rural Uganda live in poverty. In northern Uganda, women farming banana and vegetables are exploited by brokers who purchase their produce at a cheaper price (Mugabi 34). Several studies have also indicated that lack of access to credit facilities do not allow women to access markets and sell their produce especially women farmers. This is because most of these women do have enough money to take their produce to the market and also to market their products for potential customers. It makes women in business to remain exploited and sell their produce at a cheaper so they can get money to purchase other products, which are needed by their families. According to Bitature (21), the effect of poor access to credit is also related to cultural practices which are very discriminatory against women in society. Because women in a rural community in Uganda do not have finances to establish business and run established enterprises, their male counterpart could easily force practices which the majority of women is against. And therefore, this could be the reason why female genital is still practiced in several parts of northern Uganda where the poverty index is still high compared to other regions in Uganda. It is, therefore, vivid that lack of access to credit facilities affects women negatively and therefore, it would be important to provide a permanent solution to the problem through the use of mobile banking.

A study has established that mobile banking has increased access to banking services in a rural community in Kenya. According to the World Bank, 85% of Kenya living in rural communities have access to banking services through mobile baking (World Bank Group 26). This can be implemented in Uganda to provide easy access to credit facilities to rural communities’ women so that they can be able to start their business and become financially independent. Research has also indicated that approximately 75% of women in rural communities in Uganda have mobile phones (Hatik 21). The same study also indicates that most of these women are engaged in small scale business. It would be appropriate and easy to facilitate access to credit facilities through the use of mobile phones.

**Experimental Design**

 The focus of this study is to work with rural women, financial institutions and telecommunication to developed credit access platform for women from the rural setup. However, our experimental expertise is that we have worked with women to set up a credit access platform through collaboration with banks. The main focus is to expand access to credit facilities and this could only be obtained through money transfer platform to women living in some of the remote communities in Uganda. In order to make it successful, the financial institutions would partner with telecom to facilitate the transfer of finances to rural women in terms of the loan. Our experimental involvement would include organizing women into groups and also providing assistance on registration for the mobile loan. A closer reviewed at some of the literature from Kenya indicates that people access loans through mobile and repay through the same platform. This can be implemented in rural communities in Uganda so that the majority of women can have access to credits. Eligible women for credit would be required to register and get some formal credit on the business concept so that they can become a good business manager.

Since the credit rate of most people in rural setup is low, women can get a credit or loan from $100 based on what an individual has saved with the bank. A loan of $ 100 would be able to facilitate women in starting a small business to take care of their families. From the loan's profits, these women would be able to repay their loan and after completion, they can reapply for more loans. This can be done repeatedly in the entire villages to ensure that all women are having access to credit facilities like loans and establish businesses as well. We expected a significant decline in the poverty index in some of the rural communities. After completion of the implementation of the project, we expect to bridge the gap in earnings among men and women in society. There is also going to be a significant improvement in the living standard of people in most rural communities in Uganda.

**Potential Problem**

The main problem is a lack of data related to women accessibility to credits from Uganda. The data discussing women and finances are major focuses on women in enterprise, which are mostly middle and higher income women. Majority of these women live in urban setup and therefore, having efficient data to engage the effectiveness of mobile banking accessibility to credit could be a challenge. It is also evident that most women move to urban setup when their businesses have started generating a lot of profit. The main problem with experiment design could result from the difficulty to conduct evaluation or monitoring efficiently. For the project to succeeds, it would be required for a major institution like the World Bank to partner with any local bank or nongovernmental organization for it to be successful. And this could take a long time because of several procedures which are must be involved in such a project like this one. There are also other issues, which might occur such as lack of corporation between telecom and financial institutions and lack of collateral and poor credit rating among people from rural communities. These issues might derail the proposed project from achieving its objectives.

**Conclusion**

A proper review of the literature on mobile banking and its impact on women, facilitating easy access to loans would help women in rural setup to tap their untapped potential. It is more likely for women to succeed in business when accesses to finances are made faster and easier. It is therefore, evident that having mobile banking as a platform for the provision of loan would change the lives of many women in the society. It is also expected to give women the power to control their destiny and therefore it is of great interest to ensure that mobile banking is successful in rural communities in Uganda. Besides empowering women, it is likely the market share for banks and financial institutions and this is likely to increase the profit of most financial institution in Uganda and the economy of the country due to high revenue to be realized by financial institutions.

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