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The political economy of mobile money interoperability and transactions in Ghana

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Abstract

Over the last ten years, there has been a substantial upsurge in the number of alternative channels available for the delivery of financial services in Ghana. Conventional delivery methods seem to have given way to modern delivery technologies. The paper argues that the ubiquitous use of mobile phones in Ghana, thus encouraged both industry players (i.e. the mobile telecommunication operators) and non-industry players (e.g. Traditional banks) alike, to adopt innovative ways of exploiting the situation to their benefit. The result is that most financial institutions now strive to provide services that are operated on mobile platforms. This spectacle was further enhanced by the mobile telecommunication operators, when MTN, a market leader, launched the first mobile money services in Ghana in August, 2009. While there seems to be an almost inevitable collaboration between the mobile telecommunication operators and commercial banks, in rolling out mobile financial services to their customers, the dynamics of their relationship is rather more complicated. Adopting a methodologically pluralist approach, the paper explored the inherent complementary and or competitive relationship that exist between them.

Keywords: Interoperability, complementary, competitive, mobile money.

1. Introduction

The history of the provision of formal financial services in Ghana, can be traced to the last decade of the nineteenth century, when a branch of the Bank of British West Africa was established in Accra (Boahen, 2000). It basically sought to provide financial services to the colonial administration and British enterprises in the Gold Coast (Ghana). The emergence of local banks from the 1950s, to the reforms in the financial sector that allowed for massive liberalization in that sector, the influx of foreign banks (particularly, from neighbouring African countries) and the proliferation of indigenous financial institutions; all from the period of the Fourth Republic in Ghana, was expected to engender a reasonable level of financial inclusiveness among the people (Nissanke & Aryeetey, 1998; Aryeetey *et al*., 2000). However, the World Bank (2012) reports that just about 30 per cent of Ghanaians operate a formal bank account. According to the International Telecommunication Union (ITU), the reasons for this staggering financial service deficiency, ranges from lack of proximity to banks, inability to provide the required documentation to open a bank account, lack of money to do same and sometimes, bank accounts are simply too expensive to operate (ITU, 2013). Therefore, the banking industry has resorted to the adoption of various forms of technological innovations, to overcome these deficiencies, in order to reach out to the unbanked and naturally also maintain a reasonable level of competitive advantage (Pyun *et al*., 2002). These include, the introduction of telephone banking, electronic banking, and Automated Teller Machines (ATMs) and short messaging service (SMS).

This notwithstanding, Porteous (2006) has ranked the development of mobile money transfer, very high on the agenda to provide financial services to the unbanked, like never before. Although it is considered as an aspect of mobile banking (Orozko *et al*., 2007), scholars are not agreed on the definition of mobile money transfer. It generally refers to that innovation to send and receive money via the information and communication platform provided by the Mobile Telecommunication Operators (Mbiti *et al*., 2011). It involves such basic financial services like, micro-payments, long and short distance remittances and payment for airtime (Tobbin, 2011).

The introduction and adoption of mobile money into the financial markets of various countries, globally; is a relatively contemporary phenomenon. But since the year 2003, when 'SMART Money' was launched in the Philippines, the rate of deployment of the mobile money transfer system has been phenomenal. In less than a decade from its inception, there were 145 mobile money deployments, launched across 73 developing countries, worldwide (MMU, 2012). The level of adoption, use and acceptance of mobile money as a phenomenon of interest has however been checkered in different countries. Indeed, the impact of the M-PESA in Kenya (powered by Safaricom), in this regard, has been outstanding. Since its launch in 2007, it routes extra financial transactions nationally than Western Union does globally; amounting to 415 million US Dollars in person to person transfer alone and equal to 17 per cent of Kenya's GDP, on annualized basis from 2009 (Mas & Radcliffe, 2010).

In Ghana, the Central Bank and other stakeholder have identified mobile money as the most viable wheel to reach out to the unbanked and ultimately, to accelerate the process towards optimum financial inclusion in the country (Hinson, 2011). This has prompted a corresponding clamour for collective support from stakeholders, to increase access to low cost financial services (Ghanabusinessnews.com, 23.8.2017).[1] While this appeal is relevant for the attainment of a cash lite economy in Ghana, the reality of the dynamics of collaboration is rather quite complicated. For instance, it must also be noted that despite the partnership struck by the mobile telecommunication operators with banks in its mobile money business, mobile money in Ghana is still very much driven by the latter, at astronomical incremental levels. The Bank of Ghana reports that the value of mobile money transactions increased more than triple fold in 2015 that is GH₵ 35.4b, up from GH₵ 11.2b in 2014 (Ghana Banking Survey, 2016). Moreover, whereas bank executives are aware of the opportunities inherent in the mobile money business to be explored, they still perceive same not only as a potential threat, but also a potent disruption to the banking industry.

It is in this light that the research explores the extent of complementarity and competition between the mobile telecommunication operators and the banks in mobile money transactions in Ghana. Specifically, Scancom Ghana Limited (also known as MTN Ghana), the pioneer and leader of the mobile money business in Ghana, together with its banking partners, are studied to highlight the phenomenon. The research relied on interviews with officials of the institutional actors on the subject matter. The secondary literature, supplemented the data gathered from the interviews with key informants at major offices of MTN Ghana Limited and their partner banks. A vast majority of the scholarly literature on

[1] The First Deputy Governor of the Bank of Ghana, Mr. Millison Narh, called for cooperation to drive mobile money transfers forward. He was speaking at the launch of a World Bank Programme to spur financial inclusion in Ghana. https//www.ghanabusinessnews.com. Accessed on 23/08/2017.

this subject are based on the experiences of economically advanced countries (de Albuquerque & Cerne, 2011), classic cases of adoption and acceptance success, like the M-PESA in Kenya (Wolman, 2012; Donovan, 2011; Jack & Suri, 2011), and the factors that promote mobile money acceptance and adoption challenges in specific areas (Bampoe, 2015).

The study examines mobile money ecosystem in Ghana, to illuminate how the telcos, their bank collaborators and other actors, work together to facilitate the smooth running of that system. And then the relationship between the telcos and the banks in particular, is explored to bring to the fore: the complementary and or competitive relationship between them and the potential repercussions of same.

2. The Mobile Money Transfer Bionetwork in Ghana

Since its inception in 2009, the mobile money transfer process in Ghana has required a concerted effort by individuals and organisations to ensure a smooth roll out. The mobile money ecosystem in Ghana is made up of core players, as well as other fringe/third party actors or stakeholders, who could contribute to the system, but do not necessarily play a key role (Jenkins, 2008). Examples of the latter include, international financial institutions and donors (like the World Bank, who organize programmes in mostly developing countries, from time to time, to facilitate financial growth in those regions), micro-finance institutions and even civil society. It is worthy to note that the core actors in this regard have been, the mobile network operators, banks, customers, agents, merchants and regulators. The table below highlight their fundamental responsibilities, as well as their constraints.

So far, the mobile money experience in Africa has either been telecom-led or bank-led. But the former is predominant.[2] In Ghana, the mobile telecommunication network operators spearhead the activities of the mobile money service. They come into the system with proven assets and capabilities. Aside from the infrastructure, they usually possess a wider existing distribution channels that is mostly far reaching than the branches of the financial institutions. There is usually an agent and or a distributor to supply the needed services almost everywhere that there is network provision. The network operators provide the

[2] Unlike Kenya where the mobile money service (M-PESA) was largely a success as a result of the high penetration of Safaricom (the mobile telecommunication operator concerned), it was rather bank-led in Nigeria. The rather protectionist stance by the Nigerian Central Bank was to avoid perceived fraudulent money transactions and to ensure that they never lose control of such activities.

required customer service in the mobile money ecosystem, as well as recruiting and training the agents to support these customers. Jenkins (2008) posits that the ability of the mobile telecommunication operators to reach out to a relatively wider audience, across the length and breadth of a country (including the rural areas) and across income levels; give them the impetus to come in as the most vital segment of the mobile money ecosystem.

Table 1: Responsibilities and Constraints

Players	**Roles**	**Constraints**
Mobile Network Operators	1. Provide infrastructure and communications service 2. Provide agent oversight and quality control 3. Issue e-money (where permitted by law) 4. Exercise leadership in drawing mobile money ecosystem together 5. Advise other businesses (banks, utilities, etc.) on their mobile money strategies	1. Regulatory limitations on providing financial services 2. Shareholder pressure for faster, higher returns 3. Strategic focus that may not include mobile money
Financial Institutions	1. Offer banking services via mobile 2. Hold Float or accounts in customers' names 3. Handle cross-border transactions, manage foreign exchange risk 4. Ensure compliance with financial sector regulation	1. Narrow customer base 2. Lack of experience with or interest in low-income customers 3. Stringent regulatory requirements with significant compliance burdens
Agents	1. Perform cash-in and cash-out functions 2. Handle account opening procedures, including customer due diligence 3. Report suspicious transactions in accordance with AML/CFT3 requirements 4. Identify potential new mobile money applications	1. Liquidity shortfalls 2. Basic business skill gaps 3. Lack of customer trust (in some cases) 4. Limited ability to partner with large corporations
Customers	1. Use mobile money to improve their lives.	1. Lack of awareness 2. Limited financial literacy 3. Cultural and psychological resistance
Regulators	1. Provide a suitable environment for mobile money 2. Safeguard stability of financial system 3. Demonstrate leadership to encourage and protect behavior change	1. Lack of experience in financial and tele-communications regulatory schemes 2. Lack of financial and technical capacity

Source: Bompoe, 2015.

The financial institutions (banks) come in handy as important partners of the mobile telecommunication network operators in the provision of such financial service (mobile money). In Ghana, the relationship between the network operators and the financial institutions in the provision of the mobile money service, put the two on one hand, in relation to their customers. This is succinctly epitomized in the opening statement of the MTN Mobile Money Service Agreement:

> Before performing any transaction from your Mobile Money Wallet, you must know the terms and conditions ("rules") for using your Wallet. You need to understand each clause of the rules set out in this document. You are required to keep these rules as they are a binding agreement between you and us, Mobile Money Limited and Partner Banks. When you apply for a Mobile Money Wallet you agree to these rules (MTN-Ghana, 2017).

The banks are in actual fact, expected to bring to bear their vast experience and customer trust in dealing with money. They serve as intermediaries between the network operators and their agents in the acquisition of electronic value. In effect, the banks store the deposits of mobile money customers, in trust accounts. In the case of merchants, they facilitate the flow of money from their electronic float account into their main accounts. For MTN Mobile Money, partner banks refer to: Ecobank Ghana Limited, Fidelity Bank Limited, Guaranty Trust Bank Ghana Limited, Stanbic Bank Ghana Limited, Cal Bank Limited, Merchant Bank Limited, Zenith Bank Ghana Limited, United Bank for Africa Ghana Limited, Access Bank Ghana Limited, Agricultural Development Bank, Barclays Bank Gh. Ltd, Ghana Commercial Bank Ltd, GN Bank Ltd, ARB Apex Bank Ltd.

The agents form the major distribution channels for the telecommunication networks in the mobile money transactions. The importance of the agents, lies in their primary contact with the customers and their role as branches of the mobile telecommunication network operators. They are mostly responsible for the registration of customers for the service, on behalf of the network operators; and facilitate the cash-in/cash-out delivery to customers.

Merchants and utilities broadens the scope of the services to be provided via Mobile Money. Merchant payment is that made by a mobile money account holder, on the mobile money platform to a retail or online merchant, in exchange for the provision of general goods and services. These may include utility payments, casinos, lotteries, online shops and retail shops. In Ghana, aside from being linked to many retail and online shops, MTN Mobile Money allows for payment of water and electricity bills as well as many pay-per-view television series. Rather than physically visiting and sometimes queuing to make payments for the provision of these goods and services, customers of the merchants are simply required to pay from the electronic value on their mobile money account and at their convenience. In addition to the convenience this service provides for customers, it also has the potential to increase the customer base of the merchants (Jenkins, 2008).

As the final recipients of the mobile money service, customers actually determine the success or failure of the mobile money ecosystem (Tobbin, 2011). Indeed, they bring to the table, their multifaceted needs to serve as opportunities for the system. As a matter of necessity therefore, despite the seemingly lack of financial literacy and cultural resistance towards new technology, the mobile telecommunication operators (sometimes in partnership with banks) strive to provide innovative and attractive products that will appeal to their customers. In Ghana, the MTN Mobile Money Services, in conjunction with their partners, have to a very large extent, fulfilled this obligation.

> You can use MTN Mobile Money to send and receive money, top-up MTN airtime, pay bills (DStv, ECG Postpaid, MTN Postpaid, School fees and more), buy & pay for insurance, pay employee salaries, pay for airline tickets and other goods and service…Subscribers of MTN mobile money can now earn an interest of 12 per cent per annum on their "Y'ello Save Account." MTN Ghana has also paid GH¢34million as interest to about eight million mobile subscribers and 58,000 agents in the first quarter of 2016. This means that customers of the telecommunications company last year earned from 1.5 per cent to seven per cent as interest on their balance. This confirms that MTN is indeed committed to ensuring that its customers reap the benefits of using the mobile money service (Graphic.com.gh, 7.2.2017).

3. MTN Mobile Money and Banks in the Mobile Money Business in Ghana

Increased financial access has been identified to have the potential to reducing poverty and income inequality, and for that matter enhance socio-economic growth (Levine, 2005; Beck, 2004). This notwithstanding, lack of access to basic financial services, especially, among the rural poor, remains one of the major challenges to the development agenda of most emerging economies (Hinson, 2011). In Ghana, despite the existence of over 200 banks[3] and adoption of various mobile banking products, more than 60 per cent of the population are

[3] These include, 30 commercial banks and about 200 rural and community banks, as well as savings and loans institutions, as at 2016.

still unbanked. The introduction of mobile money was therefore considered as a realistically viable channel to reach out to the unbanked and ensure maximum financial inclusion (Hinson, 2011; Bampoe 2015).

Accordingly, and in a rather buoyant fashion, seven years into its inception, the MTN Mobile Money has been described as a 'game changer' in Ghana's financial service industry, already accounting for aggregate cash flows that compare with total deposits of commercial banks in the country (GBS, 2016). While the mobile telecommunication operators have remained the main driving force of mobile money transactions in Ghana, so far, it has still required greater collaboration with banks. Thus, an assessment of the impact of this partnership (especially on banks), now and the future has become a matter of worthy concern.

4. MTN Mobile Money Services in Ghana

Just nine years into the realms of mobile money transactions in Ghana, MTN Mobile Money is both pioneer and biggest player in the industry, since its launch in 2009. This is partly a result of the company's market share of customers. Indeed MTN Mobile Money has made such giant strides in Ghana because of the market share controlled by the Scancom Ghana Limited (MTN Ghana).[4] The table below shows the distribution of customers of the mobile telecommunication network operators in Ghana as at 2015.

Table 2: Distribution of Customers of the Mobile Operators in Ghana

Mobile Network Operators	Market Share per Operator (%)
MTN Ghana	45.60
Vodafofone Mobile	22.98
Tigo	13.85
Airtel	12.40
Glo Mobile	4.76
Expresso	0.41
TOTAL	100

Source: National Communication Authority, 2015.

[4] As at the first quarter of 2016, the MTN Mobile Money alone could boast of over 8 million subscribers and 58,000 agents in Ghana.

MTN Mobile Money reaches out to customers through agents/merchants, usually in partnership with banks.[5] The MTN Mobile Money service operates through authorized agents, who are carefully recruited to facilitate an efficient running of the service on behalf of MTN Ghana Limited. Hence, the agents are expected to satisfy certain basic requirements of the network operator (herein MTN Ghana Limited) and that of the Electronic Money Issuers (EMI) Guidelines, as prescribed by the Bank of Ghana. These include the following: agent documentation requirements (including, completing agent recruitment form, to select preferred partner bank), must start with a minimum capital of GH₵4,000. Prospective agents must also meet the permanent structure and location requirement, in the form of a brick and mortar building that is placed within 50-100 meters radius. Indeed, MTN Mobile Money is guided by rules and regulations, which requires agents/merchants to sign the 'Agent Contract' upon successful completion of training.

The scope of services of the MTN Mobile Money include a cross-sell of banking, insurance and other financial products. The service allows one to send and receive money, top-up MTN airtime, pay bills (DSTV, ECG Postpaid, MTN Postpaid, School fees and more), buy & pay for insurance, pay employee salaries, pay for airline tickets and other goods and services, as well as open and maintain a bank account. Meanwhile, the MTN Mobile Money Transfer process in particular, involves four steps. That is, registration, cash-in, transfer and cash-out.

5. The MTN Mobile Money and Financial Inclusion in Ghana

Rather astonishingly, the National Communication Authority (NCA), reports that the number of mobile phone subscriptions in Ghana as at April, 2016 (34.6 Million people), exceeds the estimated 27.8 Million population of the country (according to the Ghana Statistical Service). This scenario has motivated industry players in the financial sector (including telcos and banks) to device innovative means of service delivery to their customers, to improve productivity and by extension, financial inclusiveness. Meanwhile, in 2010, the World Bank reported that the percentage of Ghanaians excluded from all forms financial services was about 44 per cent. The same report in 2015 acknowledged that

[5] The MTN Mobile Money service is offered in partnership with about 16 banks as of the first quarter of 2017. These include: Ecobank Ghana Limited, Fidelity Bank Limited, Guaranty Trust Bank Ghana Limited, Stanbic Bank Ghana Limited, Cal Bank Limited, Merchant Bank Limited, Zenith Bank Ghana Limited, United Bank for Africa Ghana Limited, Access Bank Ghana Limited, Agricultural Development Bank, Barclays Bank Gh. Ltd, Ghana Commercial Bank Ltd, GN Bank Ltd, ARB Apex Bank Ltd, HFC Bank Ghana Ltd. And Unibank Ghana Ltd.

this figure had dropped to about 25 per cent. While it is worthy to note that the positive strides in financial services in the country is the result of improvement in innovative technology by most of the players in that industry, the role of some of the mobile telecommunication network operators (particularly, MTN Mobile Money) cannot be underestimated.

Reflecting on the incredible progress made over the last 9 years since its launch in 2009, few would dispute the potential demonstrated by the MTN Mobile Money to stimulate access to financial services in the emerging Ghanaian economy. There is no denying the fact that it has transformed traditional ideas about financial services and has had a profound effect on the lives of millions of people in Ghana, through mobile technological innovations and massive investment in the industry. Through a range of attractive products and services, it has to a large extent, extended financial services to the unbanked and underserved population. The service as at November, 2017, boasts of over 8 million subscribers and a correspondingly over 86,000 agents across the length and breadth of the country (Businessghana.com, 2017). Participants in the industry claim it is fast, simple, convenient, secure and affordable (Ghana Banking Survey, 2016). The level of approval and trust for the service, demonstrated by Ghanaians (particularly, those in the informal sector and who are mostly unbanked), provide the basis for optimism that MTN Mobile money shall deepen financial inclusion in the country.

6. Complementary Relationship between MTN Mobile Money and Partner Banks

The dramatic rise that characterizes the acceptance of the MTN Mobile Money, validates the relevance for traditional financial institutions (including, banks), to take advantage of the opportunities it brings to bear. With over 8 Million subscribers across the country, MTN Mobile Money is expected to serve as an important delivery channel for consumer banking. Besides, it offers huge cheap deposits that banks could use to their advantage. It is against this background that despite its potential game-changing attributes in the financial sector, MTN Mobile Money still very much represents an opportunity for the banking industry. It has generally enhanced the channels through which banks deliver certain services, particularly, bill payment services and domestic remittances.

Through MTN Mobile Money, some banks have in a relatively easy manner, achieved distribution targets that was hitherto far-fetched. The partnership between MTN Mobile Money and banks has enabled the latter to use mobile money as a vehicle to reach the unbanked population, especially, in rural areas.

Whereas mobile telephony is mostly present these areas, the opposite is the case for traditional banking services (in terms of bank branches). As an Area Manager of one of the bank partners exclaimed: “One of the key benefits of our partnership with MTN Mobile Money, is how financial products and services are easily accessible to customers, irrespective of space.” (Interview with Mr. Lawrence Atatuba, Area Manager of Barclays Bank Ghana Ltd. in his office at the Prempeh II Street Branch, Adum, Kumasi.)

MTN Mobile Money Partner Banks have found new business in areas such as charges on mobile money fund transfers. It is worthy to note that they are also indirectly, through the MTN Mobile Money network, mobilizing large deposits of money not only from the unbanked and the underbanked populations of Ghana, but also those outside this bracket. This is the result of innovative collaboration between the two groups to facilitate convenience, in terms of access to financial products and services to customers. This is highlighted in one of Fidelity Bank’s collaboration with MTN Mobile Money:

> MTN Ghana, in partnership with Fidelity Bank has introduced a new product, “Y’ello Save Account,” on the MTN mobile money platform to boost the savings culture in the country. This means that subscribers of MTN mobile money who subscribe to the new product could earn an interest of 12 per cent per annum on their “Y’ello Save Account.” However, the telecommunication operator presently pays seven per cent interest on the balance of all MTN mobile money wallet holders… the introduction of the product was further to integrate the banking and telecommunications sectors (Myjoyonline.com 6.2.2017).

Another avenue for complementarity is the possibility for MTN Mobile Money customers to make cash withdrawals from the ATMs of partner banks. Hitherto, MTN Mobile Money was at a disadvantage against the banking sector’s ATM network which allowed cash withdrawals 24 hours a day. Now many banks offer cash withdrawals, directly from one’s MTN Mobile Money Wallet through their ATM networks. This means MTN Mobile Money users can walk to these banks’ ATMs and withdraw funds at any time of the day at their convenience.

Also, in July 2015, the Bank of Ghana issued guidelines for Electronic Money Issuers. It prescribed as a necessary requirement, for electronic money accounts to be maintained with banks. This condition in effect make mobile money operators, customers of the banks. Even a further regulation limits the total savings of the mobile money service providers to 15 per cent of the net worth of any one universal bank. Thereby, almost compelling mobile money service operators to diversify their savings destinations with the banks.

7. Competitive relationship between MTN Mobile Money and partner banks

In spite of the mutual benefits, there seem to be some form of intrinsic competition between MTN Mobile Money and banks in this regard. Since the inauguration of the former in 2009, it has developed to become a major participant in the industry. Armed with the requisite technology and an overwhelming customer base, MTN Mobile Money now reaches sectors that the traditional banks have failed to service in the past. The service merely began as a payment service made from a mobile phone, and has gradually evolved to include a wide range of other financial services. The services now offered on the MTN Mobile Money platform include inland remittances, bill payment as well as point of sale payments for some services and items purchased in certain shops. All these constitute functions that were traditionally, exclusively offered by banks, often at a cost higher than that MTN Mobile Money would charge, for the same transaction.

Industry players have at various forums discussed the extent at which mobile telecommunication operators (including MTN Mobile Money), are conducting banking business.

The Banking Act explains banking business to mean accepting deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, orders or by any other means; and financing, whether in whole or in part or by way of short, medium or long term loans or advances, of trade, industry, commerce or agriculture and other business may so described. Most, if not all, of the businesses carried out by Electronic Money Issuers (EMIs) are characteristic of banking business within this meaning (Ghana Banking Survey, 2016).

Apparently, the mobile telecommunication operators have made daring inroads into the banking space with their services and have gradually become a competitive threat to the current operating models of banks in Ghana. The table below highlights the extent of trespass by the mobile telecommunication operators.

Indeed, stakeholders (particularly, Bank Executives), consider MTN Mobile Money as something that is evolving into "bank on your phone". It provides subscribers with alternatives to traditional banking and most of them are now taking advantage of these alternatives. In a similar fashion, it is also believed that the Electronic Money Issuer (EMI) Guidelines of the Bank of Ghana have not done enough to appropriately regulate this trend. As the framework stands, it is possible for the mobile money service to develop to the point where it can operate independently of banks. Mobile money operators will at that point become direct competitors to banks instead of partners and service providers to the industry (Ghana Banking Survey, 2016).

Table 3: Similarities and Differences of Operation between the EMIs and Banks

Regulatory area	Banks	Electronic Money Issuers
A. Licensing requirements:		
i. Minimum Cash Requirement	Yes	Yes
ii. Liquidity Requirement	Yes	Yes
B. Permitted activities include:		
i. Accepting Deposits	Yes	Yes
ii. Lending	Yes	Limited
iii. Financial Leasing	Yes	No
iv. Investment in Financial Securities	Yes	No
v. Money Transmission Services	Yes	Yes
vi. Issuing and Administering Means of Payment	Yes	Yes
vii. Guarantees and Commitments	Yes	No
viii. Trading for Own Account or Account of Customers in Money Market Instruments, Foreign Exchange or Transferrable Securities	Yes	No
ix. Domestic Money Transfers, Including to and from Banks	Yes	Yes
x. Over the Counter Transactions	Yes	Yes
xi. Inward International Remittances	Yes	Yes
xii. Insurance Products Underwritten by a Duly Licensed Insurer	Yes	Yes
xiii. Credit Reference Services	Yes	No
xiv. Safe Custody of Valuables	Yes	No
xv. Electronic Banking	Yes	Yes
C. Prohibited activities include:		
i. Banking Business under Section 90 of Act 673	Yes	Limited
ii. Lending or Investment Activity other than those Permitted	Yes	Limited
D. Oversight & reporting:		
i. Annual Audit of Books of Account	Yes	Yes
ii. Annual Audit of IT System	No	Yes
iii. Monthly Reporting	No	Yes

Source: Ghana Banking Survey Report, 2016.

8. Conclusion

Prior to the advent of MTN Mobile Money in 2009, banks and other financial institutions had begun to pursue the agenda for cashless payments in the Ghanaian economy through the introduction of innovative products, including credit and debit cards that are tied to bank accounts. The Government of Ghana in support of this endeavor, also introduced the e-zwich to promote cashless payment in the country. Nonetheless, not any of these payment instruments have had remarkable penetration and adoption rates, as MTN Mobile Money.

Accordingly, stakeholder in the industry have identified mobile money to be the catalyst of the drive to a cash lite society and financial inclusiveness in the country. The exponential growth of the mobile money industry in Ghana has been greeted by some industry players (particularly, the banks) as a threat to some traditional banking products and services. This notwithstanding, they also acknowledge the opportunities it offers for the banks to thrive. It is in this vein that the relationship between the mobile money service providers (herein MTN Mobile Money) and the banks (that is the 16 Partner Banks), is intrinsically complementary and competitive and might persist in that regard. While it is not expected that mobile money will completely replace traditional banking services, the phenomenon of mobile money in Ghana has not shown any signs of slowing down.

In the light of this, some obvious questions come into play. First, how do the banks take full advantage of the opportunities offered by Mobile Money, while minimizing the so-called threats? Rather than concentrate on the extent mobile money affect the business of bankers, there ought to be a concerted effort by all stakeholders to streamline the critical success factors in the delivery of mobile money services. This shall nurture and develop a vibrant mobile money market where instruments, institutions and systems converge in an efficient manner underpinned by flexible regulations to promote a broader use of these services by economic agents and consumers. Indeed, evidence of mobile money success stories elsewhere in Africa and beyond, report of increased opportunities for traditional financial institutions. For instance, since the launch of the M-Pesa in Kenya in 2007, it has partnered over 140 financial institutions in just about a decade, while the number of bank accounts in the country have also increased about five-fold in the same period to 20 million (Ghana Banking Survey, 2016).

All in all, in a bid to avoid any form of prejudice or intellectual myopia, we hesitate to arrive at an exclusively, complementary or competitive relationship, but rather recognize the relationship between the MTOs and banks as intrinsically interdependent in that business. Going forward, it is expected that they will pull their resources together and also dwelling on their strength to facilitate the development of a successful mobile money/banking system in Ghana. The mobile telecommunication operators bring on board technology, which shall be complemented by the banks, who come with proven experience in the industry. With effective regulation, the future of financial service delivery will be a component of a suite of services, provided within the mobile services bouquet. And industry players will be required to find the right working partnership that is geared towards customer satisfaction, financial inclusiveness and the dream of a cash lite economy in Ghana.

Biographical Notes

Dr. Ali Yakubu Nyaaba has over 7 years of professional experience in research and teaching. He has researched into various aspects of the indigenous Political System in Ghana (with special interest in Northern Ghana) and the African Diaspora. Ali has published a considerable number of articles in reputable journals across the world. He is also a member of several learned associations and committees including the Ghana Studies Council and the Historical Society of Ghana.

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