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# The Impact of Mobile Money Transfer in Somalia

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## ABSTRACT

**Purpose:** This study aims to assess the factors influencing the intention of micro-entrepreneurs in Somalia to adopt mobile money services, using the Technology Acceptance Model (TAM) as the theoretical framework. Given Somalia's lack of formal financial infrastructure since 1991, the research investigates how mobile money contributes to financial inclusion among micro, small, and medium-sized enterprises (MSMEs).

**Methodology:** A quantitative research design was employed, with data collected from a sample of 140 respondents using a structured survey. The TAM was used to evaluate the influence of perceived usefulness, perceived ease of use, and behavioral intention on mobile money adoption. Data were analyzed using SPSS, and model adequacy was confirmed through statistical testing for parameter estimation.

**Findings:** The study found that behavioral intentions, perceived usefulness, and perceived ease of use significantly influence the adoption of mobile money services among Somali MSMEs. Mobile money has a positive impact on financial inclusion, allowing businesses to engage more actively in the economic ecosystem. While the attitude toward financial inclusion shows positive trends, its direct statistical significance was found to be inconclusive.

**Unique Contribution to Theory, Practice, and Policy:** This study extends the application of TAM in fragile-state contexts and contributes to the growing literature on technology-driven financial inclusion. It offers policy insights into the need for a robust regulatory framework to ensure the stability and security of mobile money systems. Practically, it encourages governments and financial institutions to expand mobile financial services to unbanked rural populations and urges service providers to focus on usability and functionality to drive customer adoption and retention.

**Keywords:** *Micro Entrepreneurs, Financial Inclusion, Intention, Mobile Money*

**JEL Codes:** O16, G21, O55

## 1. INTRODUCTION

'Mobile money' describes the financial services provision via mobile devices (Donovan, 2011). Payments, finance, and banking are only a few of the services included by this broad description. Value can be transferred using a variety of channels, including text messaging or mobile internet access to bank account details. Mobile phones have the potential to be a cutting-edge, quickly developing technical instrument that gives underbanked and unbanked people access to financial transfers and payments according to Duncombe (2009). Furthermore, the Rangarajan Committee (2008) suggests enhancing rural areas' access to financial services by implementing affordable technology like mobile money.

Mobile money services are a type of alternative financial program designed to hasten the creation of mobile ecosystems for underprivileged or unbanked people as well as microbusinesses in several less developed countries, according to Demirguc-Kunt and Klapper (2012). As per (Anurag, Tyagi, and Raddi, 2009) without always using a bank, microbusiness owners can conduct direct business with their suppliers and clients using a palm-sized mobile phones. Because of this, anyone with a cell phone who is proficient with it may benefit. Another advantage is that a huge number of users can utilize the system without the need for expensive infrastructure, such phone lines. These attributes enable faster regular business activities.

The universal goal of financial inclusion is becoming increasingly important to lawmakers and international development organizations as a means of enhancing the lives of the underprivileged and destitute. As per (Zins & Weill, 2016) access to financial services can improve people's quality of life and eventually help impoverished Africans escape poverty by increasing earnings through better cash flow management, savings, and business investments. The banking industry in Sub-Saharan Africa cannot and will not service the most impoverished populations. Therefore, efforts to combat poverty in Africa are accelerated when financial services are unavailable (David & Deng, 2017). Mobile money is one means of acquiring financial services. Users can pay their bills with the least amount of fees and save money thanks to it (Jack & Suri, 2014). According to (Della Peruta, 2018) people's reliance on banks has decreased thanks to mobile money services, which have also made it simpler to achieve financial inclusion objectives.

Micro, medium, and small-sized enterprises commonly referred to as MSMEs, employ mobile money for various financial purposes, including financial management, bill payments, and fulfilling purchases. A study conducted by the World Bank in 2017 reveals a rapid increase in both the volume and value of mobile money transactions. Recognized as the predominant financial system in Somalia, mobile money facilitates the entry and growth of businesses within this ecosystem. However, the widespread use of mobile money transfers raises concerns due to the absence of a robust central bank or financial system regulation in Somalia since 1991. This phenomenon becomes a double-edged sword for individuals facing financial challenges, presenting both positive aspects, such as enabling savings by reducing the reliance on physical

cash for individuals, businesses, and nonprofits, and negative aspects, including heightened vulnerability to financial losses due to lax security measures (Orozco & Yansura, 2014).

The Somali populace demonstrates a strong degree of confidence in using mobile money as their method of payment of choice. There are very few cash transactions; instead, most payments for goods, fees, and utility bills are made via the mobile money system. Notably, organizations such as Hormuud and other telecom companies have launched a free and easily accessible mobile payment system. Nearly three-quarters of Somalians 16 years of age and older use mobile money, according to a 2018 World Bank survey, demonstrating the widespread acceptability of this payment method. This tendency is notably noticeable among Somali microbusiness owners, especially in the country's capital city of Somalia. In this case, mobile money is widely used for a wide range of financial operations, such as top-ups of airtime, cash withdrawals, bill payments, supplier payments, fund transfers to friends and family, and purchases. With more than 2.5 million residents, Somalia is the most populous city in Somalia, home to around 25% of the country's total population. The remaining population of Somalia is distributed throughout various larger cities, smaller cities, and villages, with this serving as the country's largest city. Furthermore, Somalia is one of Somalia's major commercial and microbusiness hubs.

Somalia's economic landscape benefits significantly from mobile communications, with mobile money representing a noteworthy advancement in a country where a substantial portion of the population lacks access to traditional bank accounts. In a nation grappling with a less-than-robust formal banking system, transitioning to digital payments has the potential to enhance payment efficiency by expediting transactions and reducing the costs associated with sending and receiving money. Additionally, this shift may contribute to heightened payment security and provide Somalis with a secure avenue for making deposits. The adoption of mobile money offers a scalable and user-friendly method for extending financial services to a larger population of unbanked individuals (World Bank, 2017).

Despite mobile money's crucial importance in altering Somalia's economy and financial system, there is a noteworthy lack of empirical evidence about the conceptual development of company growth and mobile money services. This shortfall highlights the critical need for robust statistics to assist the creation of policies that promote the widespread adoption of mobile money, thereby making significant contributions to the expansion of Somalia's small and medium-sized firms. The purpose of this study is to identify the factors that influence micro entrepreneurs' intentions to use mobile currency in Somalia. The study specifically looks at the interaction between behavioral intention, attitude, perceived utility, and ease of use in the context of financial inclusion. In addition, the study examines the connection between these characteristics and the use of mobile money. The following is the study's organizational structure: The second section delves into relevant works, the 3rd unit describes the methods and model used in this examination, the 4th unit presents the findings and subsequent argument, and the 5th unit provides a summary of the findings

as well as recommendations based on this research.

## 2. REVIEW OF LITERATURE

### 2.1 FINANCIAL INCLUSION

Rangarajan Committee (2008) et al., states that financial inclusion is defined as ‘a course of access to monetary amenities and sufficient funding to vulnerable groups at a reasonable cost. The attainment of comprehensive inclusion necessitates a country to fulfill specific prerequisites, with one of the primary objectives being to ensure universal access to financial assistance. The criteria that most accurately gauge the standard of financial inclusion encompass cost, client protection, safety, product compatibility, ease of use, and the dignity of treatment. Businesses must initially furnish their clients with a comprehensive array of essential financial services in the pursuit of financial inclusion. These services should encompass insurance, deposits, payment services, and crucial financial support for loans (Gardeva & Rhyne, 2011).

### 2.2 NON BANKING CHANNELS AND ICT

Any financial transaction conducted over a mobile phone is referred to as "mobile money". Numerous services are covered by this broad definition, such as finance (like insurance products), banking (like real-world account balance queries) and payments (like peer-to-peer transfers). This can be done in a number of ways, including as using a mobile device's internet to view bank account information or sending money via text message. Contactless technologies allow phones to pay cash registers without ever making contact with them. (Donovan, 2011)et al. states mobile money has fundamentally altered the way that consumers can obtain financial facilities for more than a decade. The use of mobile money is still expanding. There are 90 countries, over 866 million registered accounts, and $1.3 billion in daily trades as per Pasti & GSMA (2019).

Hakizimana et al. (2023) highlight that banking services, facilitated through information technology and non-banking networks, reach individuals traditionally underserved by conventional financial institutions. The term "mobile money" encompasses the ability to perform key financial tasks, expanding financial services, especially in Africa’s Sub-Saharan. Mobile currency users, utilizing smartphones or tablets, can conduct various transactions, including in-store purchases, bill payments, and tuition expenses, fostering financial inclusivity (Hakizimana et al., 2023).

### 2.3 FINANCIAL INCLUSION AND MOBILE CURRENCY PRACTICE

Mobile cash has the power to encourage more people to use the banking system, which would boost economic growth in Africa and other parts of the world. In sub-Saharan Africa, Okello Candiya Bongomin et al. (2018) looked into the moderating effect of social networks in the relationship between mobile money and financial inclusion. Their results showed a favorable relationship between the use of mobile money and financial inclusion, indicating that the use of mobile money in rural Uganda had a beneficial effect on the financial inclusion of those with low

incomes. The goal of this study was to include 400 low-income homes and obtain a 100% response rate. According to Nyimbiri (2021), technology for banking and financial inclusion has a strong, mutually beneficial relationship in Sub-Saharan Africa.

### 2.4 MOBILE MONEY AND MICRO ENTREPRENEURS

For a considerable duration, scholars have shown keen interest in the expansion and progression of medium and small-sized enterprises (SMEs), especially considering the diverse variables influencing these businesses and their economic contributions. Existing research emphasizes that the utilization of mobile money plays a pivotal role in facilitating funding for businesses. The growth potential of a company is intricately linked to the availability and accessibility of financial resources. Numerous studies have delved into examining the correlation between funding and the expansion of businesses. As posited by Coad et al. (2013), a company's access to financial resources significantly influences its capacity for growth. This is because financial resources empower a company to enhance its capabilities and extend its reach.

Limited access to capital was cited by Ankrah, D. A., Anum, R., Anaglo, J. N., & Boateng, S. D. (2023) and Amoah, P. A., & Adjei, M. (2023) as the main barrier to company growth. Odoom and Kosiba (2020) explored the mediating function of agent trustworthiness in their examination of mobile payment usage and extension meaning within micro-enterprises in an emerging economy. Their findings align with the Utility Theory of Acceptance and Use of Technology (UTAUT), endorsing its utility as a valuable conceptual framework for comprehending the factors impacting microenterprises' choices to adopt mobile money. Moreover, the conditions specified in the UTAUT have an indirect effect on the agent's trustworthiness in addition to having a direct impact on continuing intention. These findings, which have important theoretical and practical ramifications, draw attention to problems that warrant additional study and managerial attention. Nzyoka (2020) asserts that offering mobile banking services can improve small and medium-sized businesses' (SMEs') financial inclusion.

### 2.5 TAM

TAM (Technology Acceptance Model), a theoretical framework created by Davis in 1989, is used in this study. TAM looks at how elements like system features affect people's acceptance of a technology. This idea states that users' purpose, which is determined by their views about the process, affects how well they adopt an information system. The theory also suggests that perceived utility (PU) and ease of use (PEOU) have a significant role in elucidating the variation in consumer intentions about technological innovation. While PEOU evaluates the technology's usability, PU represents how users view the new technology's usefulness. The word "perceived" refers to the recognition that consumers' opinions, molded by their own experiences, are the main gauge of a technology's utility. Although TAM offers insightful information, Davis (1989) recognizes that further research is necessary to fully understand how other factors affect technological acceptance. It is also crucial to find other factors that could predict the uptake of

mobile money services, since behavioral intentions toward use might not be fully explained by depending just on perceived usefulness and simplicity of use."

### 2.5.1 PERCEIVED EASE OF USE

(Nzyoka, 2020) emphasizes perceived ease of use in gauging technology simplicity, while (Thompson et al., 1991) highlights the importance of users perceiving minimal effort and comprehensibility. Additionally, (Shin et al., 2010) supports the significance of perceived cost-rationality in mobile money usage. According to (Moore and Benbasat, 1991), a clear and user-friendly connection between users and mobile money providers is crucial for evaluating the challenge level and determining user actions.

The ensuing hypotheses were developed regarding this variable:

H1: “Perceived ease of use and financial inclusion are significantly correlated.”

### 2.5.2 PERCEIVED USEFULNESS

Nzyoka (2020) asserts that the usefulness of new technology is explained by how consumers view its utility. The Covid era is not the age of cash. Globally, people are managing their finances more quickly and via cards, the internet, and applications. Mobile cash and automated cashier machines are public than ever in Africa (Anene, n.d.). Mobile cash is advantageous for those with and without banks. According to Donovan (2012), mobile money has a fair chance of serving as a tool for economic progress in Sub-Saharan Africa by facilitating financial access for people there. (Nyimbiri, 2021) looked at how mobile money affected people's use of financial services in sub-Saharan Africa. One of the key contributing elements was the notable positive relationship in Sub-Saharan Africa between financial technology and financial inclusion.

Okello and colleagues (Candiya Bongomin et al., 2018) found that the use of social networking sites and mobile money significantly impacts financial inclusion in Sub-Saharan Africa, with mobile money users in rural Uganda having increased chances of financial inclusion through the creation of both strong and weak social networks. Previous research has predominantly focused on how mobile money enhances the reach of financial services in emerging economies, particularly in Sub-Saharan Africa.

The ensuing hypotheses were developed regarding this variable:

H2: “Financial inclusion and perceived utility are significantly correlated.”

### 2.5.3 ATTIDUDE

A person's perception of an activity, whether positive or negative, determines their attitude toward it. Mobile money has brought about significant changes in many aspects of Somalian life. For many, it was an easy and secure way to send and receive money. In contrast to the widely used Mpesa service in Kenya, mobile currency transactions in Somalia are conducted in US dollars.

Kenyan mobile money service providers are gradually joining large conglomerates that provide banking and money transfer services, even if they are mobile network operators (Victor and Owuor).

The ensuing hypotheses were developed regarding this variable:

H3: "There is a strong correlation between attitude and financial inclusion."

### 2.5.4 BEHAVIOURAL INTENTIONS

The Technology Acceptance Model (TAM) is a well-established approach in information systems research (Sheppard et al., 1988; Venkatesh et al., 2003). Beyond assessing customers' intentions, it is crucial to examine post-adoption plans for technology use. Continuation intention, emphasizing sustained usage, serves as a key metric for IS satisfaction (Wang et al., 2019). TAM aligns with IS continuation objectives, making it valuable for studying behavior post-adoption (Liao et al., 2009; Liou et al., 2015). Using continuation intention as a proxy acknowledges consumers' desire to sustain new technology usage over time (Zhou, 2013).

Studies by Venkatesh et al. (2016) and Kim et al. (2010) investigate how system-specific characteristics and user preferences affect users' interaction with mobile payment systems. Social variables have a substantial impact on people's intentions to continue using mobile data services. Hong et al. (2008) emphasized these elements, which include attitudes and perceptions of social norms. Lee et al. (2009) highlight the significance of service information quality and system effects on post-adoption use of mobile data services, especially with regard to performance expectancy. Additional elements that are important in influencing post-purchase intentions in mobile value-added services are contentment, perceived performance value, service quality, and effort expectancy, according to Kuo et al. (2009) and Shin et al. (2010).

In contrast to many Africans, Somalis exhibit a preference for utilizing mobile wallets as a means of storing cash rather than carrying large amounts of physical currency. The mobile money networks in Somalia demonstrate low cash-out rates, given that clients engage in direct and digital transactions with businesses. Notably, Somali telecom providers have successfully established a reliable platform, evident in the numerous digital transactions conducted on the bustling streets of Somalia (Arch, 2022).

The ensuing hypotheses were developed regarding this variable:

H4: "Financial inclusion and behavioral goals are significantly correlated."

## 3. MODEL AND METHODS

This study blended a quantitative research approach with a descriptive research strategy. Through statistical and numerical analysis, the method demonstrates how the independent variables (behavioral intents, attitude, perceived utility, and perceived ease of use) affect the dependent variable (financial inclusion) in Somalia. As a result, this study's online survey employs judgmental

sampling. This suggests that the respondents are knowledgeable and skilled in mobile money if they can give answers that are relevant to the evaluation questions.

The participants in the study will be Somalis, particularly those who use mobile currency services. 440 people completed the data analysis component of the questionnaire. SPSS was used to process the quantitative data, and then research was carried out to interpret the results. To investigate the relationship between the variables, an EFA (Exploratory Factor Analysis) was utilized to categorize data linked to each variable.

### 3.1 MODEL SPECIFICATION

This method uses a model specified by Ordinary Least Square (OLS). Because it is predicated on it, the OLS (Ordinary Least Square) technique is regarded as one of the most advanced methods for performing regression analysis. The research employed the following regression model:

$$Y = a + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e \quad Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e$$

Where,

$\beta 1, \beta 2, \beta 3, \beta 4 =$ Indicate the weight of every factor, Beta coefficients. $X4 -$ Behavioral intentions, $X3 -$ Attitude, $X2 -$ perceived usefulness, $X1 -$ perceived ease of use

$a =$ constant term

$Y =$ Financial inclusion

## 4. ANALYSIS OF DATA

This study examines the variables influencing Somalia's micro entrepreneurs' intentions to use mobile money. For analysis, a total of 140 respondents were gathered.

**Table 1: The respondents' demographics**

| Factor | % |
|---|---|
| **Gender** | |
| Male | 81.4 |
| Female | 18.6 |
| **Age** | |
| 18-24 | 40.7 |
| 25-34 | 51.4 |
| 35-44 | 5.0 |
| 45-54 | 2.9 |
| 55 or more | 0 |
| **Education** | |
| Secondary school | 7.9 |
| Diploma | 2.1 |
| Bachelor degree | 57.1 |
| Postgraduate | 32.9 |
| **Monthly Income** | |
| $100-300 | 51.4 |
| $301-600 | 27.1 |
| $601-900 | 7.1 |
| 9001 or More | 14.3 |
| **Household Size** | |
| 5 or less | 48.6 |
| 6-10 | 38.6 |
| 10 or More | 12.9 |

It can be seen from the presented data that 81.4 percent of the respondents are men and 18.6 percent are women. This distribution is in line with the main gender dynamics in Somalia, where men predominate in the workforce, education system, and other facets of daily life. Remarkably, the vast majority of responders (92.11%) are between the ages of 18 and 34, highlighting how young the Somali community is. This demographic trait points to a greater propensity for using mobile devices and interacting with financial institutions. When looking at the respondents' educational backgrounds, the majority (57.1%) has a bachelor's degree, and 32.9% have a postgraduate degree. This emphasizes how essential literacy is as a prerequisite for making efficient use of mobile currency services. In addition, when it comes to income, people in both upper and lower income

levels use mobile money to get financial services. Finally, in terms of household size, the data shows that most respondents usually live in households with less than five individuals.

### 4.1 TESTING THE RELIABILITY

Cronbach's alpha, a reliable measuring indicator, was used in this investigation.

Table 2 revealed the variable based on the financial inclusion, behavioral intention, attitude and perceived usefulness scores were 0.780, 0.796, 0.764, and 0.724, respectively, whereas the perceived ease of use score was 0.527. These results suggest that the internal consistency of the reliability measurements is outstanding because it is more than 0.7. (1978, Evans)

**Table 2: Reliability**

| | Cronbach's Alpha |
|---|---|
| Financial inclusion | 0.780 |
| Behavioral intention | 0.796 |
| Attitude | 0.764 |
| Perceived usefulness | 0.724 |
| Perceived ease of use | 0.527 |

### 4.2 CORRELATION TEST

When the values of the other variables are associated, the value of one variable tends to fluctuate in a specific direction. Table 3 demonstrates that all of the variables are positively correlated, with Pearson's correlation coefficients for the four constructs ranging from 0.447 to 0.748. Attitude and behavioral intention showed the strongest correlation (r = 0.748), whereas perceived usefulness and ease of use showed a weaker correlation (r = 0.447).

**Table 3: Correlation**

| | | Behavioral intentions | Attitude | Perceived usefulness | Perceived ease of use | Financial inclusion |
|---|---|---|---|---|---|---|
| **Pearson Correlation** | Behavioral intentions | 1.000 | 0.748 | 0.647 | 0.478 | 0.621 |
| | Attitude | 0.748 | 1.000 | 0.706 | 0.480 | 0.599 |
| | Perceived usefulness | 0.647 | 0.706 | 1.000 | 0.447 | 0.579 |
| | Perceived ease of use | 0.478 | 0.480 | 0.447 | 1.000 | 0.485 |
| | Financial inclusion | 0.621 | 0.599 | 0.579 | 0.485 | 1.000 |

### 4.3 MODEL PARAMETERS' ESTIMATION

The study employed OLS (Ordinary Least Square) to illustrate the relationship between the variables. The approaches section contains an explanation of the model. The parameter results of the model are shown in Table 4 below.

**Table 4: Coefficients Unstandardization**

| Variable | Prob | T-Statistic | Std. robust Error | Beta |
|---|---|---|---|---|
| Constant | 0.552 | 0.597 | 0.320 | 0.191 |
| Behavioral intentions | 0.004 | 2.935 | 0.105 | 0.308 |
| Perceived usefulness | 0.029 | 2.206 | 0.097 | 0.214 |
| Perceived ease of use | 0.013 | 2.504 | 0.090 | 0.224 |
| Attitude | 0.150 | 1.449 | 0.105 | 0.152 |

The previously mentioned analysis makes clear that among Micro, Small, and Medium-sized Enterprises (MSMEs) in Somalia, both the perceived usefulness and ease of use of mobile money show a optimistic and statistically noteworthy relationship with financial inclusion, reaching significance at the 5% level. Additionally, a strong and positive correlation is found—also significant at the 5% level—between behavioral intentions and financial inclusion in MSMEs in Somalia. As a result, it is decided to adopt Hypotheses H1, H2, and H4. With a p-value of 0.150 > 5%, attitude indicates that it is not significant, so Hypothesis H3 is rejected.

An R-square score of 69%, which shows that the independent variables explain for 69% of the variation in the dependent variable, illustrates the model's goodness of fit. The joint relevance of the variables is shown by the F-statistics, which are significant at the 1% level. When multicollinearity is examined using the variance inflation factor (VIF) and collinearity tolerance, it is found that all variables have VIFs below three and collinearity tolerances below one, indicating that there are no multicollinearity problems.

Furthermore, if the condition index is less than 30, there is no reason to be concerned. The Durbin-Watson result of the serial correlation test indicates that there is no problem with serial correlation in the data because it is within the permitted range, which is neither below 1.5 nor above 2.5.

Behavioral intentions, perceived usefulness, and Perceived ease of use all directly contribute to financial inclusion in Somalia. For every unit increase in these variables, there is an approximate rise of 0.013, 0.029, and 0.004, respectively.

## 5 DISCUSSION

Mobile money is used by micro, medium, and small-sized organizations (MSMEs) for a number of functions, including monitoring financial operations, paying invoices, and making purchases. The World Bank report from 2017 highlights the explosive rise in the amount and value of mobile

money, establishing it as the primary financial system in Somalia. Commercial enterprises are thriving in this ecosystem thanks to this evolution. But with no strong central bank and no financial regulation in place since 1991, the increasing usage of mobile money transactions brings with it both potential and turmoil. For those who are struggling financially, it becomes a double-edged blade that can either positively or negatively affect their enterprises.

The purpose of this study is to evaluate the variables impacting Somalia's micro entrepreneurs' intention to use mobile money. The results show a positive and substantial association between financial inclusion among MSMEs in Somalia and behavioral intentions to use mobile money, as well as perceived utility and simplicity of usage. To be more precise, an increase of one unit in these variables is associated with an increase in financial inclusion of roughly 0.013, 0.029, and 0.004, respectively. This indicates that Hypotheses H1, H2, and H4 are accepted. The attitude-related hypothesis, H3, is, however, rejected because the p-value of 0.150 > 5% indicates that the hypothesis is not significant.

It is important to recognize that, in contrast to Kenya's Mpesa service, mobile currency transfers in Somalia are unique and are mostly conducted in US dollars. Although they are still mobile network operators, Kenyan mobile money service providers are being progressively absorbed into big conglomerates that offer full-service finance and money transfer options. Although mobile money is widely used in Kenya, its use in Somalia has shown to be detrimental, leading to the devaluation of the Somali Shilling during the last ten years. It is suggested that limiting mobile money services to Somali Shillings could reduce currency and price swings, ultimately helping the economy, as the widespread use of mobile money has eroded the value of the national currency.

This conclusion is consistent with other research by Mohamed & Nor (2021) Della Peruta (2018), and Upadhyay and Jahanyan (2015), which all found a strong and positive correlation between the use of mobile money and financial inclusion.

Perceived ease of use and perceived usefulness are the two most crucial aspects in accepting technical innovation. Financial services are becoming more accessible to small and medium-sized businesses due to the convenience and usefulness of mobile money. Overall, the results demonstrated that it is possible to rise the financial inclusion of micro-entrepreneurs in Somalia through the use of mobile currency. The micro entrepreneurs' plan to employ mobile money has significantly assisted MSMEs' financial inclusion in Somalia.

## 6. RECOMMENDATIONS

Due to the fact that the majority of mobile cash dealings in Somalia are made in US dollars, the nation has become reliant on the USD as its main means of exchange. This essay suggests a change in course, arguing that the government should implement currency changes in light of the weakening value of Somali shilling notes. At the same time, mobile money service providers should switch to using the Somali Shilling as the accepted form of payment for mobile money

transfers. The purpose of these two recommendations is to alleviate the economic issues brought on by the widespread use of the US currency. Furthermore, a weak official banking system and a lack of regulatory monitoring over mobile operators and mobile money services are obstacles to the possible expansion of mobile money services in Somalia. Overall, these two variables have a detrimental impact on Somalia's chances for mobile financial services. As a result, the paper emphasizes how important it is for the government to create a strong regulatory framework, with assistance from the World Bank Group's ICT Sector Unit, in order to promote an atmosphere that is favorable to the growth and success of mobile money services.

In order to gain market share, mobile money service providers should build their products with these two ideas in mind. This is because consumers' opinions about the products' usability and ease of use are very important.

This study suggests that mobile money technology be used by micro-entrepreneurs to improve their firms since it increases the caliber of work that is performed. In conclusion, the utilization of mobile money technology by financial institutions and the government can enhance productivity by reaching out to the unbanked rural people and offering them mobile phone-usable accounts.

## 7. CONCLUSION

The purpose of this study is to look into how mobile money affects financial inclusion in Somalia's Micro, Small, and Medium-sized Enterprises (MSMEs). The study investigates the relationships between behavioral intention, attitude, usefulness, and perceived ease of use, as well as how these relationships affect financial inclusion. Utilizing the Technology Acceptance Model (TAM), the study has 140 respondents in its sample. To determine the parameters and analyze the data, descriptive statistics are used, which shows how robust the model is. A structural equation model is used in the study to examine the relationships between the variables. The results show that mobile money has a beneficial impact on financial inclusion. Among MSMEs in Somalia, perceived usefulness, behavioral intentions, and perceived ease of use all stand out as critical variables that positively and significantly correlate with financial inclusion. While attitude toward financial inclusion is trending in a positive manner, its relevance is still up for debate. In conclusion, this study emphasizes the favorable effects of mobile money on MSMEs' financial inclusion in Somalia, stressing the crucial roles that behavioral goals, perceived utility, and simplicity of use play in fostering this relationship.

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