

Mobile money and household consumption volatility

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Focus on research

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Access to financial services plays an important role in household welfare, as it provides access to investment opportunities, savings, consumption smoothing, and insurance against unexpected shocks. In developing economies where formal financial services exclude nearly half of the population, the development of mobile cellular offers an exciting avenue to provide poor households with access to basic financial services through mobile money. In this study, we analyze the effect of this financial innovation, i.e., mobile money, on household consumption volatility. Our results show that mobile money reduces household consumption volatility. Finally, we identify financial inclusion and migrant remittances as potential major transmission channels.

[Read the blog article in French\(https://cerdi.uca.fr/version-francaise/actualites/toutes-les-actualites/zoom-sur-la-recherche/mobile-money-et-volatilite-de-la-consommation-des-menages\)](https://cerdi.uca.fr/version-francaise/actualites/toutes-les-actualites/zoom-sur-la-recherche/mobile-money-et-volatilite-de-la-consommation-des-menages)

Reference:

Apeti, A. E. (2023) [Household welfare in the digital age: Assessing the effect of mobile money on household consumption volatility in developing countries\(https://www.sciencedirect.com/science/article/pii/S0305750X2200300X\)](https://www.sciencedirect.com/science/article/pii/S0305750X2200300X). *World Development*, 161, 106110.

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