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**The Role of Microfinance and Mobile Money Applications in Promoting
Entrepreneurship in Low-Income Communities in The Gambia.**

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DEDICATION

First and foremost, I offer my deepest gratitude to Allah the Almighty for granting me the strength, patience, and wisdom to navigate the challenges of this master's program. Without his divine guidance and blessings, this achievement would not have been possible.

To My supervisor, Professor Lisa Crosato, thank you for your invaluable guidance, expertise, and patience. Your insights transformed my research into a true learning experience, and I am honoured to have worked under your mentorship.

I would like to express my most profound thanks to my husband Musa Aminah Jammeh. This degree is as much yours as it is mine. Thank you for standing by me every step of the way, for your unwavering mental and emotional support, and for the financial sacrifices you made to ensure I could focus on my studies. You supported me in every way I needed, and your belief in me was the fuel that kept me going. I am forever grateful for your presence in my life.

To my beloved Parents and siblings, (Muhamdal Hafsh, Fatima Zahra, Habiba Rahman, Yahya, Raihana my Twinni), my niece Fatimah noorah Jagne, my Best Friend and soul sister Aisha Fatty, thank you for being my constant prayer warriors. Your endless prayers and your faith in my success were my greatest source of comfort during every exam and deadline.

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Finally, to my wonderful classmates, Amna, Amina Turki, Maria, Olivia, Sonia, thank you for the friendship and the camaraderie that made this journey so memorable. I also wish to extend my appreciation to my other Professors: Prof Massimo and Prof Marcella Lucchetta, whose expertise and passion transformed my studies into a truly enriching learning experience.

ABSTRACT

This research examines the individual and joint impacts of microfinance access, mobile money utilization and their synergy on entrepreneurial performance of micro, small and medium sized enterprises (MSMEs) in selected low-income areas in The Gambia. Although financial inclusion is well established as a vehicle for enhancing entrepreneurship in developing economies, most empirical studies explore the roles of microfinance and mobile money separately, while less attention is paid to the interaction effects of both services, and the contextual limitations of financial services in developing economies. In addressing this gap, this study uses an integrated financial inclusion framework, anchored on entrepreneurial ecosystem theory.

A mix-methods research design was used; structured questionnaire was administered to 209 MSME operators, and semi-structured interviews were conducted with 100 entrepreneurs. Descriptive statistical analysis, Pearson correlation analysis and multiple linear regression were applied to the quantitative data set in SPSS while qualitative data was analysed using descriptive techniques. The study constructs composite indices of all the variables and confirms the reliability and validity by employing Cronbach's alpha value greater than 0.7.

From the result, it can be seen that access to microfinance and mobile money usage have positive significant impact on entrepreneurial performance. While both financial inclusion tools have positive effect, stronger entrepreneurial performance was achieved when both microfinance and mobile money services were jointly used, which suggest the effectiveness of integrated financial system on entrepreneurial performance. While, high interest rates on borrowed capital, inadequate ICT literacy among the entrepreneurs, unstable information network system, poor communication infrastructure, regulatory constraints have negative significant influence on the entrepreneurial performance. Qualitative research indicates that lack of access, poor infrastructure of mobile money network system, weak institutional frameworks.

The study found that financial inclusion improves entrepreneurship only if integrated and supported by stronger institutional coordination, effective ICT infrastructure, and an enabling policy framework, and adds to the existing body of knowledge with empirical evidence from The Gambia, highlighting the value of integrating financial services in enhancing MSME performance.

Keywords: Financial inclusion; microfinance; mobile money; entrepreneurial performance; MSMEs; synergy; The Gambia; digital finance; entrepreneurship ecosystem; structural barriers.

LIST OF ABBREVIATIONS

- ANOVA – Analysis of Variance
- B – Unstandardized Regression Coefficient
- β – Standardized Regression Coefficient (Beta)
- BR – Barriers to Financial Inclusion
- df – Degrees of Freedom
- EP – Entrepreneurial Performance
- GDP – Gross Domestic Product
- MF – Microfinance Access
- MM – Mobile Money Usage
- MSMEs – Micro, Small and Medium-sized Enterprises
- OLS – Ordinary Least Squares
- p – Probability Value (Significance Level)
- PERF – Performance Index (Entrepreneurial Performance Index)
- PS – Policy Support
- R^2 – Coefficient of Determination
- SD – Standard Deviation
- SPSS – Statistical Package for the Social Sciences
- SY – Synergy (between Microfinance and Mobile Money)
- t – t-statistic
- TAM – Technology Acceptance Model
- VIF – Variance Inflation Factor

- MFIs – Microfinance Institutions
- Likert scale – Psychometric response scale used (1 = Strongly Disagree to 5 = Strongly Agree)
- Cronbach's Alpha – Measure of internal consistency reliability
- M – Mean (Average Score)
- SD – Standard Deviation (already listed, but commonly paired with M)
- Sub-Saharan Africa (SSA) – Regional reference used in literature context
- Likert-type items – Questionnaire measurement items used in survey instruments

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CHAPTER ONE: INTRODUCTION

1.1. Background to the Study

Financial inclusion is now an important topic in both policy and research in the field of Development Economics. Many people living in Low- and Middle-Income Countries are still unable to use formal financial services. With the increasing numbers of microfinance institutions and the rapid development of Digital Financial Services, specifically Mobile Money, the way that people access Credit, Saving and Payment Systems has changed dramatically for many people who previously lacked access to such systems (Aron, 2018; Ahmad et al., 2020). The changes that have occurred are considered to be some of the most important factors contributing to inclusive economic growth, especially because they support Micro Small and Medium-Sized Enterprises (MSME's). MSME's constitute the majority of business in developing countries (Endris & Kassegn, 2022). MSME's are considered the backbone of the economy in Sub-Saharan Africa through generating employment and alleviate poverty in addition to contributing to the economy development, however; their potential growth is highly constrained by lack of access to Formal Financial Services (Adom, 2015; Endris & Kassegn, 2022). For years Traditional Banking Systems have excluded low-income Entrepreneurs from using their services because of Collateral Requirements, High Transaction Costs and Limited Geographic Reach. Microfinance Institutions were developed to fill this gap as alternatives to Traditional Banking Systems. They provide Small Loans and other Financial Services to Individuals and Groups that would otherwise be Economically Marginalized (McKernan, 2002; Newman et al., 2014). Nevertheless, while at a larger scale, MFIs have not been able to address fully the problem of financial exclusion, especially in rural and informal areas. The rise of mobile money systems has brought a new angle to financial inclusion by allowing digital transactions without using traditional banking facilitation. Mobile money is demonstrated to be effective at reducing transaction costs and increasing financial inclusion and business performance, meanwhile small-scale entrepreneurs are particularly benefited (Islam et al., 2018; Asamoah et al., 2020). In Kenya among other African nations, it has become an integral part of daily life for many to perform various financial activities like payments, transfers as well as savings, which either complement or function as substitutes for conventional banking services (Ahmad et al., 2020). However, despite these developments, there is still disparity around outcomes of financial inclusion varying across regions and population groups. These limitations of microfinance and mobile money are being held back by some structural things like weak digital infrastructure, low financial literacy in the broader public, tight regulatory restrictions, and well issues of trust (Aron, 2018; Osabutey & Jackson, 2024) . This means financial inclusion should not be seen as merely the provision of access to financial services, but rather is part of a broad ecosystem

influenced by institutional, technological, and behavioural elements. To conceptualise this complexity, entrepreneurial ecosystem theory is adopted. It holds that entrepreneurship is influenced by more than just individuals' abilities; it is also influenced by the institutional and systemic environment in which they are situated, that is, in the financial systems, policy frameworks and infrastructure (Isenberg, 2010; Stam, 2015). Accordingly, instruments of financial inclusion, namely, microfinance and mobile money can be considered as key entrepreneurial ecosystems components with impact on the success of entrepreneurs. Particularly in The Gambia where MSMEs account for the majority of economic activities but are constrained by constant financial inability, the analysis of the relationship between microfinance services and mobile money systems holds a lot of promise. While these two platforms coexist we still have very little knowledge about to what degree they interact or complement each other to affect entrepreneurship outcomes. Thus, this paper intends to address this gap by investigating the effect of microfinance access, mobile money use and their interaction on entrepreneurial performance in the context of MSMEs operating in selected low-income areas of The Gambia.

1.2. Problem Statement

Despite quite a number of encouraging news on financial inclusion for SSA, MSMEs are still confronting huge obstacles on accessing and effectively utilizing financial services. Although microfinance institutions are progressively increasing access to credit for these entities, the impact of such services is largely constrained on issues of high interests, limited criteria for accessing loans and low reach to the rural and peri-urban areas (Adusei & Adeleye, 2024; McKernan, 2002). Likewise, even though the reach to capital was shortened by the use of mobile money services, there are constraints related to infrastructure limitation, digital literacy gap, and regulation conflicts (Kouladoun et al., 2022; Mpofu & Mhlanga, 2022). In The Gambia, MSMEs are a major engine of economic activity and employment creation, however many entrepreneurs continue operating informally, with modest financial resources, and with difficult access to mainstream banking. Sure, microfinance institutions and mobile money platforms are becoming more available, but the combined value of those tools for entrepreneurial performance, is still not clearly understood enough. A lot of prior work looks at microfinance and mobile money on their own, which means it often misses any possible synergistic effects, that could come from how they interact. Also, there is relatively scarce empirical evidence on whether structural barriers—like network reliability, financial literacy, and institutional backing—mediate or restrict the benefits of financial inclusion mechanisms in the Gambian setting. This literature gap reduces, or at least limits policymakers' ability to build integrated financial systems that truly help entrepreneurial development. So, considering these realities, there is a strong need for more empirical research that treats financial inclusion like a

multidimensional system rather than isolated financial instruments. This study tries to fill that gap by looking at the combined effects of microfinance access and mobile money usage on entrepreneurial performance, while also paying attention to the synergy angle and the structural barriers that get in the way, even if things sound promising on paper.

1.3. Research Objectives

The main aim of this study is to assess the relationship between financial inclusion mechanisms and entrepreneurial performance among micro, small, and medium-sized enterprises (MSMEs) working in selected low-income communities in The Gambia. More specifically, the study wants to understand how access to financial services and digital financial technologies can support business outcomes in a setting where financial constraints are common and institutional help is limited. To reach that aim, the study looks at the impact of microfinance access on entrepreneurial performance, and it also checks how much mobile money usage shapes business outcomes. Because financial inclusion mechanisms often run together, not in neat isolation, the study goes further to explore the complementary link between microfinance institutions and mobile money systems and how that interaction then reflects on entrepreneurial performance. Also, the study measures the influence of structural barriers, such as financial, technological, and institutional constraints, which may restrain entrepreneurs from fully benefiting from the financial services that are actually available. Finally, the study examines the part played by policy support and institutional interventions in guiding entrepreneurial outcomes and encouraging business growth among MSMEs in The Gambia.

1.4. Research Questions

The study aims to explore the objectives of the research via answering a number of inter-linked research questions regarding the role of Financial Inclusion in developing and enabling the growth of entrepreneurship. Specifically, the research seeks to measure how access to microfinance services impacts on the performance of entrepreneurs and whether the use of mobile money platforms will lead to improved results for the business. Furthermore, as digital and traditional financial services become increasingly integrated, this research will also look at how the synergy created between microfinance institutions and mobile money systems will enhance the performance of entrepreneurs. In addition to the above, the study will also investigate how obstacles such as high prices to borrow money, limited digital literacy levels, inadequate infrastructure and regulatory issues can prevent entrepreneurs from succeeding in their entrepreneurial efforts. To conclude, this research will seek to assess how government policies and support mechanisms available through institutions can assist in providing an enabling environment for entrepreneurship and the growth of small businesses in The Gambia.

The study will be guided by the following research questions.

1. How does access to microfinance impact entrepreneur's performance in The Gambia, like day to day results, sales growth and maybe stability.?
2. How does the use of mobile money impact the performance of entrepreneurs?
3. To what extent can synergy between microfinance and mobile money help improve the performance of entrepreneurs?
4. What sort of impact do structural barriers have on entrepreneur performance in general, even when someone is trying hard to move forward?
5. What role does effective policy support from governments really play in enhancing the performance of entrepreneurs, especially when rules, programs and funding line up?

1.5.Research Hypotheses

Based on the findings from the existing literature on financial inclusion, technology adoption and entrepreneurial development, this study develops the following hypotheses to empirically test the association between the independent variables and the entrepreneurial performance measure. This study uses the theories of Financial Inclusion Theory and Entrepreneurial Ecosystem Theory in hypothesizing on the relationship between the variables (Isenberg, 2010; Stam, 2015; Sharma et al., 2023). First, the literature shows that access to microfinance services would positively influence business performance through provision of capital required for business growth (McKernan, 2002; Newman et al., 2014). Likewise, use of mobile money technology would enable businesses operate more efficiently by saving time and money (Islam et al., 2018; Asamoah et al., 2020). Therefore, adoption of both the microfinance and mobile money services would result in the complementary effect to positively influence business performance. On the other hand, there is an expectation that the presence of obstacles such as financial constraints, poor infrastructure and regulatory environment would adversely influence business performance. Lastly, government policies aimed at fostering entrepreneurship activities would favor business performance (Isenberg, 2010; Stam, 2015).

Drawing upon these theoretical and empirical factors, the following hypotheses are formulated:

H1: The access to microfinance will be positively and significantly associated with entrepreneurial performance.

H2: The access to mobile money will be positively and significantly associated with entrepreneurial performance.

H3: There will be a synergistic relationship between microfinance access and mobile money usage; the combined access to microfinance and mobile money will be positively and significantly associated with entrepreneurial performance.

H4: The access to structural barriers will be negatively and significantly associated with entrepreneurial performance.

H5: The access to policy support will be positively and significantly associated with entrepreneurial performance.

These hypotheses are testable and will form the basis of the empirical analysis of this study to evaluate the extent to which financial inclusion mechanisms contribute to entrepreneurial development in the context of The Gambia.

1.6. Significance of the Study

This study has multiple contributions from both an academic and policy perspective. From a theoretical point of view, this study goes beyond the literature of financial inclusion by examining both microfinance and mobile money together. Although previous studies have analysed both separately (Islam et al., 2018; Ahmad et al., 2020), the study builds upon the literature by emphasizing the importance of these financial inclusion mechanisms working together synergistically, which conforms to the entrepreneurial ecosystem theory that highlights a linkage between finance, institutions and technology (Stam, 2015; Guerrero et al., 2021). From an empirical perspective, the study provides evidence on entrepreneurship in The Gambia, which is underrepresented in financial inclusion literature, as compared to the major African economies which most studies have conducted. The evidence from small economies with different institutional characteristics is of paramount interest. From a policy perspective, the results can help governments and financial institutions develop a more comprehensive and effective financial system to boost MSME performance through better digital infrastructure, an integrated financial system, and tailored programs.

1.7. Scope of the Study

This study examines the association between microfinance access, mobile money usage, synergy of financial systems, structural barriers, and entrepreneurial performance among micro and small enterprises (MSMEs) in selected low-income communities in The Gambia. The study utilizes both quantitative and qualitative data gathered from entrepreneurs and users of financial services. The study is based on perceived performance metrics and does not consider audited financial statements.

1.8. Organization of the Study

This thesis is structured into five chapters. Chapter One contains an introduction to the study; it lays out the background to the study, statement of the problem, objectives of the study and its significance. Chapter Two reviews literature on entrepreneurship and related topics. Chapter Three describes the methodology and design of the research. The results are presented in Chapter Four, while Chapter Five comprises the discussion of the results, conclusions and recommendations.

CHAPTER TWO: LITERATURE REVIEW

This chapter sets out a critical and thematic look at existing literature touching on financial inclusion, microfinance, mobile money (meaning digital financial services), and entrepreneurship development. Instead of just giving a clean descriptive recap of earlier work, the chapter kind of brings the studies together and questions, how these ideas actually play with each other inside wider financial and entrepreneurial ecosystems, especially in developing economies where financial exclusion still keeps limiting enterprise creation and, later on, enterprise growth. Today's financial systems seem to be moving—more and more—away from the old style banking setup toward digitally enabled, hybrid financial environments. In that changing landscape, financial inclusion, microfinance, and mobile money show up as central levers for extending access to financial services for underserved groups. This includes women, youth, and rural entrepreneurs (Aron, 2018; Ahmad, Green, & Jiang, 2020). However, despite the fact that these mechanisms are often researched, they are mostly treated as different analytical fields, whereas actually they are interdependent parts of one system of entrepreneurial development. The divergence arises from the broader limitation present in the literature. While financial inclusion research is predominantly macroeconomic and policy-oriented, microfinance studies are more to do with poverty alleviation and credit access, and the mobile money literature is mostly about technological adoption and usage patterns. Entrepreneurship, on the other hand, is normally seen as an outcome variable in most cases rather than an underlying process influenced by financial, technological, and institutional forces that interact with each other. This detachment results in an insufficient description of the way financial innovations are converted into continued entrepreneurial success. Most importantly, even if these domains are put together, much of the existing proof still heavily depends on cross-sectional survey designs that restrict the possibility to demonstrate causality or entrepreneurial outcomes over a longer period. For while indicators such as loan uptake, transaction frequency, or account ownership are often measured, deeper outcomes like firm survival, scalability, and income diversification are most often neglected (Lingden, 2024; Osabutey & Jackson, 2024). This deficiency in methodology prevents theoretical progress and makes the implementation of the policy less pertinent. To overcome these drawbacks, this chapter follows a thematic analytical format with a basis in four mutually connected theoretical frameworks: Financial Inclusion Theory, Entrepreneurial Ecosystem Theory, the Technology Acceptance Model (TAM), and Diffusion of Innovations (DoI). Nevertheless, this chapter applies the theory not as a separate framing tool as in classic literature reviews, but rather as an analytical lens that is interwoven with the review of empirical material. Financial Inclusion Theory gets used to see if access really turns into productive engagement, so to say (Sharma, Das, & Singh, 2023), while Entrepreneurial Ecosystem Theory helps to

make sense of how institutional or even surrounding conditions shape financial outcomes (Ogujiuba, Eggink, & Olamide, 2023). TAM and DoI provide theoretical lenses through which differences in adoption of mobile financial services across different contexts can be analysed. They notably focus on factors such as trust, perceived usefulness, and social diffusion processes (Chauhan, 2015; Rogers, 2003).

2.1. Literature Review

2.1.1. Financial Inclusion as a Contested Development Mechanism

The concept of financial inclusion is most commonly interpreted as the extent to which formal financial services such as credit, savings, insurance, digital payments, etc. are made available and affordable to segments of the population that have traditionally been excluded from the formal banking sector. In fact, it is often portrayed as a silver bullet or a panacea for development and poverty alleviation. However, the body of literature contains some strong divergences concerning how effective it really is in developmental terms. Supporting that, financial inclusion research has been able to show ways in which it can enable individuals to participate more actively in the economic sphere and also enhance overall efficiency of the economy. Financial inclusion minimizes dependence on informal financial mechanisms and opens up formal credit channels. This is the view of Aron (2018). Financial inclusion is an important tool for economic growth and diversification. Facilitating productive investment and bringing marginalized groups into the formal economic systems are the major benefits of financial inclusion, according to Ahmad, Green, and Jiang (2020) who publish in the Journal of Financial Services Research. However, quite often these assertions are vehemently contested. According to the proponents of the Financial Inclusion Theory, simply having access is not sufficient for effective participation. It is believed that productive use of access requires individuals to have certain capabilities as well as being supported by institutions. That is why on the one hand Ifediora et al. (2022) and on the other hand Danladi et al. (2023) they expose the overly positive beliefs of some in the literature. The argument they make is basically that, if there is no proper infrastructure and if people do not have financial know how, then financial inclusion might end up being, at best a bit of a façade and at worst it can create debt vulnerability instead of real empowerment. This disagreement also unveils a big conceptual gap: financial inclusion is often treated as an end result, rather than as a developmental process through which socio economic systems actually get transformed. The Entrepreneurial Ecosystem view reinforces this direction, by saying that mere financial access is not enough to spark transformation. Instead, it needs support from proper institutional mechanisms, education spaces, and also the tech context (Ogujiuba et al., 2023).

2.1.2. Microfinance: a double edged sword of empowerment and structural constraint

Microfinance is generally understood as a way of giving access to credit and other financial services, mainly to people who are left out of the formal banking system. Theoretically, it can help entrepreneurs by loosening their credit constraints and giving them the means to engage in income-generating activities. There is empirical evidence that to some extent, supports this hopeful perspective. Etim (2011) demonstrates that microfinance helps people with low incomes to start and continue small-scale business activities. Similarly, Lingden (2024) reports that microfinance really boosts women's entrepreneurial activities and income creation in low-income contexts, which is sort of expected, but still. Nevertheless, when you look a bit closer at the literature, there are some structural contradictions that don't quite line up. For example, it is true that microfinance increases credit access but, at the same time, it restricts borrowers through the imposition of high interest rates, inflexible repayment schedules, and stringent collateral requirements. Typically, these conditions lead to a transfer of financial risk from the lender to the borrower rather than removal of the risk, which is why one might wonder whether microfinance is a means to reduce or further increase vulnerability. According to the Entrepreneurial Ecosystem approach, microfinance can only be effective not just because of credit availability but also because of institutional quality, market conditions, and social norms. This is why, even though the same microfinance programs may be implemented in different locations, their results may vary notably. On the other hand, most of the research on this topic is based on cross-sectional data and self-reported changes in incomes. This fact limits them from understanding the long-term survival or growth of the businesses. This research flaw causes a part of the literature to be biased towards an overly positive viewpoint.

2.1.3. Mobile Money: Technology, Trust, and Uneven Adoption

Mobile money is one of the biggest technological disruptions in the financial services sector, especially in Sub-Saharan Africa where it has taken financial access even to areas with no banking infrastructure. The main feature that makes it so beneficial is cost reduction for transactions and availability of instant monetary exchange via mobile devices. Based on findings from a number of researchers, mobile money has a positive effect both on the business performance and financial behaviour of people. The authors Islam, Muzi, and Rodriguez Meza (2018) in their paper report that through mobile money companies tend to invest more, while Koomson, Martey, and Etwire (2023) through their study show the link between mobile money, entrepreneurship and the adoption of good financial management habits. On the other hand, TAM and DoI make it clear that the factor enabling release and availability is hardly the only one determining adoption, instead the latter is strongly influenced by perceived usefulness, ease of use, trust, and social influence. For this reason, Okello Candiya Bongomin and Ntayi (2020) in fact state that trust

is the major factor for adoption whereas diffusion relies so much on peer networks and social verification that it hardly just the individual making an economically rational decision. This brings to the limelight a critical contradiction that remains unresolved in the literature: mobile money, though frequently being presented as the solution to bringing everyone on board, still sees adoption greatly different according to gender, location, and income. Other structural obstacles such as lack of digital skills, poor network infrastructure, and threats to cybersecurity are complicating the adoption pattern even more such that, it appears that mobile money exists in the socio- technical world rather than being just a piece of technology.

2.1.4. Entrepreneurship as a Systemic Outcome

Entrepreneurship is generally acknowledged as one of the main causes for economic growth, development of new ideas, and job creation. Nevertheless, the factors leading to entrepreneurship are increasingly seen as a result of the interaction of various systems rather than just an isolated individual endeavour. Sharma, Das, and Singh (2023) are of the opinion that financial inclusion and entrepreneurial ecosystems are interdependent whereby, availability of finance will encourage entrepreneurship and successful entrepreneurship will create demand for financial services. Wiklund and Shepherd (2003) also point out that an enterprise's success depends on knowledge-based resources, strategic orientation and access to external networks. Yet, these studies show a conceptual flaw; entrepreneurs are frequently regarded as a dependent variable, instead of a dynamic process affected by changing financial and technological systems. The concept of Entrepreneurial Ecosystem tries to rectify this by illustrating the interaction of institutions, finance, and human capital. Nevertheless, most of the empirical work does not effectively translate such interactions into integrated models.

2.1.5. Conceptual Synthesis and Embedded Theoretical Logic

A literature synthesis that cuts across various works suggests that financial inclusion, microfinance, and mobile money are not separate channels but intertwined elements of a larger financial-entrepreneurial system. Financial Inclusion Theory accounts for the fact of access but does not necessarily cover the aspect of skilful use. Microfinance is one way of meeting credit needs, but at the same time, it entails the creation of structural pressure to make repayments. Mobile money is a tool that helps people do transactions more efficiently, but whether it actually gets used depends on things like trust, literacy, and if the infrastructure is there. Entrepreneurial Ecosystem Theory brings these facets together by pointing out that results depend on the way the components of the system are interacting rather than on isolated interventions. TAM and DoI go on to explain why the same financial innovations yield different results in different populations by underscoring the importance of perception, trust, and social diffusion. Nevertheless, most researchers do

not succeed in merging these theories into one empirical framework, and as a consequence, policy recommendations remain quite scattered.

2.1.6. Research Gap and Study Justification

There is a lot of research on financial inclusion, microfinance, and mobile money, yet three important problems still have not been addressed. Firstly, the majority of the current studies consider these variables one by one. Very few studies have empirically explored the combined and interactive effects of these variables on entrepreneurship development. This leads to the separation of how financial systems operate as integrated ecosystems. Secondly, the literature is heavily geographically-biased. Most of the empirical studies are done in Kenya, Ghana, Nigeria, and Zambia. On the other hand, The Gambia is almost ignored in research despite facing similar problems such as limited financial infrastructure and high rural exclusion. Thirdly, the biggest methodological hiccup is researchers have used cross-sectional and descriptive survey designs mainly, and focus on short-term indicators such as loan access or mobile wallet usage. Only a handful of studies look at longitudinal entrepreneurial outcomes like business survival, income diversification, and enterprise scalability. These gaps matter a lot, because financial innovations really depend on the overall environment. Things like the quality of institutions, infrastructure, local culture, and digital literacy levels, which end up varying a great deal among countries, affect how well new ideas actually perform. Consequently, the results from Sub-Saharan African contexts cannot be simply applied to The Gambia. In this way, the study steps in to fill a clear empirical and theoretical gap by analysing the joint effect of microfinance and mobile money on entrepreneurship development in The Gambia, at the same time considering the socio-economic and technological factors that may affect this relationship. Through this, it adds to the knowledge of financial inclusion systems as interconnected mechanisms, rather than stand alone, interventions that feel separate.

2.2. Conceptual Review

2.2.1. Financial Inclusion and Entrepreneurship Development

Financial inclusion has become a highly important topic in the field of development and entrepreneurship lately because it has been recognized as one of the ways by which structural inequalities in access to financial services could be addressed. Indeed, at its most advanced level of conceptualization, financial inclusion is not only about simply having a bank account but also concerns the availability, affordability, accessibility, and effective use of various financial products and services such as credit, savings, insurance, and payment systems (Sharma, Das, & Singh, 2023; Rashid et al., 2025). Such a multifaceted concept of financial inclusion is especially applicable to the developing countries where informal entrepreneurship is

the norm and the distribution of formal financial infrastructure is uneven (Endris & Kassegn, 2022). On one hand, the Financial Inclusion Theory from a perspective of theoretical framework argues that providing access to financial services can reduce individuals' and enterprises' liquidity constraints and therefore allow them to be more engaged in economic systems through investment, consumption smoothing and risk management activities (Akinyemi & Mushunje, 2020; Sharma et al., 2023). On the other hand, with the imbalance of the literature, there is increasing criticism of the premise that access alone is adequate to effect an entrepreneurial transformation. Thus, financial inclusion is considered now as a conditioned process i.e. the results depend on complementary institutional, behavioural and technological factors (Chinoda & Kapingura, 2024; Mpofu & Mhlanga, 2022). One of the authors has articulated the issue of the role of financial inclusion in. This problem is a common phenomenon in the context of Sub-Saharan Africa where the majority of the entrepreneurs are formerly left out of the formal credit markets for reasons such as lack of collateral, lack of credit history, and perceived lending risks (Karanja, 2010).

So as a result, newer ways to get financial support like microfinance lending models, group based credit arrangements, and mobile enabled financial platforms have shown up to a certain extent to help ease these problems (Etim, 2011; Mpofu & Mhlanga, 2022). Even though these newly created systems open a door to finance, how well they function is not uniform, which suggests that the key obstacles to financial inclusion aren't fully removed. Instead, they get shifted into digital forms. From the bulk of the evidence, there seems to be a strong connection between having the ability to use financial services and the rise of entrepreneurship. Studies from multiple areas across Sub-Saharan Africa indicate that entrepreneurs who manage to access financial services are more likely to start a venture, build up assets, and expand their enterprises (Ifediora et al., 2022; Danladi et al., 2023). Also, Ahmad, Green, and Jiang (2020) point out that through financial inclusion channels, it increases the scope for people to join formal and semi-formal economic systems which in turn leads to an increase in the number of entrepreneurs in less endowed areas. Nevertheless, a rather thorough examination of the scholarly works shows that there are many knots to this relationship. Just having access to financial services does not necessarily mean that there would be a positive impact on entrepreneurial performance as the success of this approach depends on several factors that are tied to the environment such as the level of financial literacy, the quality of institutions, and the nature of the market (Banda, 2022; Rashid et al., 2025). Increased access to credit in situations where financial literacy is low may cause misallocation of scarce resources, over-indebtedness, and business instability rather than growth. This underlines one of the major shortcomings of the existing literature: financial inclusion is usually considered as a one-dimensional technical intervention whereas it is actually

a socio-technical system that is interconnected with behavioural and institutional realities. It will even be more difficult to untangle the impact of financial inclusion due to demographic heterogeneity. Women and youth entrepreneurs are most of the time considered as the first targets of inclusive financial systems since they have been historically excluded from the formal banking structures. On the other hand, evidence reveals these groups are still facing structural disadvantages such as limited asset ownership, mobility restrictions, and weaker institutional support networks (Amine & Staub, 2009; Gough, Langevang, & Namatovu, 2013). Therefore, financial inclusion often leads to inequitable entrepreneurial outcomes, deepening rather than alleviating certain aspects of the inequalities (Jamil, R., & Iqbal, 2020). Regarding entrepreneurial development, financial inclusion has a positive impact not only on the establishment of business but also on the entrepreneurial resilience and sustainability. With access to financial services, entrepreneurs can try to keep their income more stable, absorb the impacts of shocks, and then re channel earnings into additional productive activities, which in turn makes their enterprises more sustainable (Shafique & Siddique, 2020; Bairagya, Bhattacharya, & Bhattacharjee, 2020). Also, being formally included helps enterprises build their credit histories, and that should later make it easier to reach larger credit volumes, plus the chance to get linked into formal markets (Rashid et al., 2025). But even if there are these benefits, there is a big, kind of conceptual contradiction between “financial access” and “financial usage”. In many places countries have managed to reach a high percentage of people who own accounts, yet the real situation is that the actual use of financial services is not consistent, so the whole development effect stays constrained (Mpofu & Mhlanga, 2022; Koomson, Martey, & Etwire, 2023). This distinction matters a lot, because entrepreneurial outcomes depend not only on access to financial products, but on their steady and meaningful use. So, financial inclusion really should be evaluated in terms of the outcomes of economic transformation, not merely the penetration or account ownership numbers.

2.2.2. Theoretical Integration: Financial Inclusion within a Multi-Theoretical Lens

While Financial Inclusion Theory is essential for explaining the structure of getting to financial services, it can't really, on its own, explain every shift in entrepreneurial adoption and outcomes. The Tech Acceptance Model, TAM, adds a more personal angle by saying that perceived usefulness and perceived simplicity are two factors that steer technology adoption (Lule, Omwansa, & Waema, 2012; Kelly & Palaniappan, 2023). So, from that point of view, even if financial services are there and within reach, entrepreneurs could still decline to use them if they think the tools are difficult, or a bit unclear, or simply not matching what their venture actually needs. Besides that, Diffusion of Innovations, DoI, theory keeps going by also covering how social systems shape uptake, and why that matters for acceptance. It points

out that individuals' decision to adopt an innovation is affected not only by their own mind-set, but also by their social network, trust in the innovation and social reinforcement (Greenhalgh et al., 2008; Buskens, 2020). In fact, this is very much the case in rural and informal economies where the entrepreneurial choices are very much based on community standards. Synthesizing these theories shows that financial inclusion is functioning via a multifaceted mechanism: physical access (Financial Inclusion Theory), willingness to accept (TAM), and spread (DoI). Regrettably, the current literature rarely brings together these frameworks into a single model, thus explaining the entrepreneurship outcomes in a disjointed manner.

2.2.3. Synthesis: Financial Inclusion as an Embedded Ecosystem

Lately, more papers seem to frame financial inclusion not as one standalone policy tool, but more like a wider entrepreneurial ecosystem. In that ecosystem, financial services are more connected with institutions, technology platforms and even social networks, which then ends up shaping entrepreneurial results (Sharma et al., 2023; Ogujiuba, Eggink, & Olamide, 2023). So the big idea becomes not only “can people access finance”, but how interactions across the system matter, and in a sort of knock-on way. Still, there’s a noticeable gap. A lot of the existing work doesn’t really look into how financial inclusion blends with other supporting systems, like microfinance institutions alongside mobile money platforms. Microfinance helps with credit constraints, and mobile money tends to improve transaction efficiency, but most studies act as if these are separate tracks instead of connected mechanisms (Etim, 2011; Mpofu & Mhlanga, 2022). That kind of separation can really narrow the picture of potential synergies that might support entrepreneurship, rather than just credit or speed alone. Also, the evidence points to the fact that how well financial inclusion works is strongly context dependent. Things like institutional quality, infrastructure availability and digital readiness aren’t really “minor details”, they steer outcomes in a meaningful way (Chinoda & Kapingura, 2024). In low resource settings, even a well-designed financial arrangement can end up underperforming, because of poor connectivity or limited digital know how, plus regulatory fragmentation too, and honestly that last one happens more often than people think.

2.2.4. Research Gap and Conceptual Positioning

Despite extensive literature on financial inclusion, microfinance, and mobile money, but only a few studies look into how these things work together for entrepreneurship development in The Gambia. A lot of the work stays on just one particular financial instrument, like the success of microfinance, or the use of mobile money, without actually checking how their interaction might shape entrepreneurial outcomes (Mutinda & Nyaga, 2017; Ahmad et al., 2020; Afolabi, 2025). Also, the empirical evidence that exists tends to come from bigger African economies such as Kenya, Ghana, and Nigeria, where financial infrastructure and digital ecosystems are, relatively speaking, more developed. So, there is this clear gap

in local understanding of how these systems function in smaller settings like The Gambia, where structural constraints, rural-urban differences, and institutional limits could reshape the results in a very direct way (Osei et al., 2025; Khan, Ajadi, & Hossain, 2024). Another important gap is the cooperation between mobile money and micro financing. There are theoretical arguments that mobile platforms can facilitate loan repayment, track financials better and increase time of transaction transparency, but there is little empirical evidence for these points from the real entrepreneurs, especially from those living in rural or peri-urban areas (Etim, 2011; Rashid et al., 2025). This creates a bit of major hassle in figuring out if digital financial integration, actually ends up with observable shifts in business growth and sustainability. Because you know it's not always easy to tie it to what you see, right? Furthermore, most of the existing research focuses on short-term measures such as loan uptake, payback rates or mobile wallet usage. Clearly there is a lack of attention to long-term entrepreneurial outcomes such as firm growth, revenue diversification and enterprise sustainability (Lingden, 2024; Osabutey & Jackson, 2024). Such a restricted perspective substantially hinders the knowledge of whether the financial inclusion efforts can genuinely lead to economic transformation that is sustained over time. Demographic and environmental factors are also less often viewed as moderators in the integrated models. Gender, education, and digital literacy are identified as very significant factors, but they have been sparingly researched in a single framework with technology adoption, financial access, and entrepreneurial performance (Kasonde, 2025; Akinyemi & Mushunje, 2020). This is particularly important in The Gambia where socio-cultural and infrastructural conditions may impact financial behaviour differently from other Sub-Saharan African settings. In the overall literature, financial inclusion is a facilitating variable for entrepreneurship through easing credit constraints and increasing access to financial services (Its effect, however, is not automatic or homogeneous. Instead it is mediated through behavioural elements (technology acceptability), social systems (diffusion processes) and institutional settings (ecosystem strength). Critically, the connection between microfinance and mobile money systems is under-theorised and under-empirically explored especially in smaller developing economies such as The Gambia. This mismatch hampers both theoretical progress and policy significance. This study therefore fills this vacuum by studying how microfinance and mobile money simultaneously impact entrepreneurship development, taking into consideration technological, demographic and institutional moderating factors. By doing this, it adds to a more holistic view of financial inclusion as a multi-system driver of entrepreneurship development and not as a goal in itself, a financial mechanism.

2.2.5. Microfinance and Entrepreneurial Development

Microfinance has become an important institutional instrument for the promotion of entrepreneurial development in places of limited access to traditional financial institutions. In the financial inclusion theory, microfinance is being redefined as a structural intervention to enhance economic participation by alleviating capital constraints and providing financial services to the unbanked rather than a credit delivery mechanism (Sharma, Das, & Singh, 2023; Akinyemi & Mushunje, 2020). In this view, microfinance does not guarantee the business success, but provides the basic prerequisite for the establishment of entrepreneurial activity, access to financial capital. However, the literature shows that access to finance alone does not ensure economic success. It needs to be highlighted that the success of the microfinance is reliant on certain elements. These include institutional design, individual capacity and broader ecosystem circumstances like infrastructure education, and regulatory stability (Ogujiuba, Eggink & Olamide, 2023). This kind of signal suggests that microfinance should not be treated as a standalone fix, but more like a piece of a tangled system where credit mixes with human factors and structural realities which then shape entrepreneurial outcomes and performance.

2.2.6. Meaning and Role of Microfinance Institutions (MFIs)

Microfinance institutions, MFIs, are formal and semi-formal financial intermediaries that offer small scale financial services like credit savings and insurance to people who end up excluded from the formal banking system due to missing collateral, thin credit records, or simply because they do not have formal employment status. In the whole idea of financial inclusion MFIs are usually treated as sort of a remedy for structural market failures by improving access to capital for those financially excluded groups (Rashid et al., 2025). Still, MFIs are not just development instruments or tools. At some level, every aspect of their daily activities is determined by the intrinsic contradictions of having a double responsibility, one being financial sustainability and the other social impact. They are genuinely dedicated to fighting poverty and working with entrepreneurs, yet they must not lose sight of their financial sustainability. That condition might ultimately translate into higher interest rates or even more rigorous repayment terms (Adusei & Adeleye, 2024) This ongoing friction helps explain why microfinance outcomes vary so much across different places and borrower categories. Such duality theoretically aligns with the Schumpeterian theory of entrepreneurship that access to capital is necessary but not sufficient condition for innovation and business creation unless along with capability and opportunity structures (Mehmood et al., 2019). So MFIs are helping institutions, not deterministic drivers of entrepreneurship.

2.2.7. Microfinance as a Mechanism of Entrepreneurial Activation

The main contribution of microfinance to entrepreneurship is to overcome liquidity limitations that prevent people from starting or expanding entrepreneurial activity. Working capital is provided by microfinance institutions (MFI) to entrepreneurs for use in inventory, cash flow stability and the meeting of short term operating demands (Babajide, 2012; Bairagya et al., 2020). In this scenario, microfinance is an enabler for entrepreneurial entry especially in informal and resource restricted environment. But this capital access effect doesn't happen in a vacuum. In entrepreneurial ecosystem theory, financial capital is useful only when integrated in a supportive system of skills, networks and institutional support structures (Ogujiuba et al., 2023). Thus, microfinance can only promote entrepreneurship when the surrounding conditions of the ecosystem allow entrepreneurs to use the resources effectively. Capability statements present still another level of intricacy. Research indicates that lack of financial literacy and managerial skills among entrepreneurs leads to misallocation of borrowed funds leading to poor business performance despite the availability of financing (Kasonde, 2025; Lingden, 2024). This reframes the whole idea of microfinance, sort of from a supply side solution thing into a capability dependent mechanism where access and user capacity both dictate the outcome. MFIs are also going towards group lending arrangements based on social collateral rather than physical collateral. It might help to reduce the exclusion of asset poor folks but it has a different sort of constraint in the form of peer monitoring and social pressure which can influence entrepreneurial decision making and risk taking behaviour (Etim, 2011, Gough, Langevang, & Namatovu, 2013).

2.2.8. Microfinance and Women's Entrepreneurial Participation

In the literature of entrepreneurship, microfinance is frequently mentioned as a key instrument to improve women's economic participation. This is mainly because women in emerging economies face structural constraints like low ownership of assets, limited mobility and exclusion from formal credit markets. Therefore, MFIs resort to collateral-free lending and group-based financing strategies to improve women's access to finance (Amine & Staub, 2009; Adom, 2015). From a financial inclusion perspective, this greater access is expected to increase women's participation in income-generating activities and hence improve household welfare and economic resilience. But the empirical evidence suggests these consequences are neither automatic nor uniform. In many cases, the benefits of women's entrepreneurial activities are influenced by social norms, power relations in the household and control over financial resources (Amine & Staub, 2009). This is a critical conflict in the literature; microfinance improves financial access but does not necessarily translate into full economic empowerment. Indeed, its effects depend upon the socio-cultural institutions shaping the use and control of financial resources. This implies that women's

entrepreneurial outcomes are a function of the interaction between access to finance and institutional gender norms rather than access to finance alone.

2.2.9. Microfinance and SME Development

Furthermore, microfinance is often associated with the development of micro and small enterprises (MSEs), particularly where the traditional banking infrastructure is weak. MFIs provide working capital to SMEs to alleviate financial constraints to remain in business and sometimes to develop production capacity (Islam et al., 2018; Mutinda, 2014). Microfinance provides the required financial resources as per the resource-based view, which can enhance the competitiveness and sustainability of the operations of SMEs. However, the transformation of financial capital into sustainable corporate growth depends on the successful conversion of borrowed funds into productive investments rather than short-term needs for consumption or survival (Wiklund & Shepherd, 2003). There is strong empirical evidence from Sub-Saharan Africa that the results of SMEs are highly heterogeneous. Some organizations achieve efficiency gains and growth while others stagnate due to market saturation, weak management capacity and structural impediments. This kind of underscores that microfinance, by itself, can't really guarantee SME growth without entrepreneurial and institutional complements, you know, those other pieces too.

2.2.10. Microfinance and Poverty Reduction

Often, microfinance has been considered an effective means of poverty alleviation because of the contribution made towards income generation and financial sustainability of poor families. This theory is based on the assumption that the provision of credit leads to income diversification, participation in micro-enterprises, and thus minimizes the risk of exposure to any economic changes (Danladi et al., 2023). Microfinance is found to enhance household welfare through income and consumption smoothing (Shafique & Siddique, 2020). The literature, however, is divided about the size and duration of these impacts. A more sceptical view is that the results of microfinance are context dependent and generally poor, particularly where borrowers do not have sufficient entrepreneurial skills or work in weak market contexts (McKernan 2002). This means that microfinance should be seen as a support system to reduce poverty, not as a direct strategy to eliminate poverty.

2.2.11. Structural and Operational Limitations of Microfinance

Traditional microfinance programs have great development potential, but their structural weaknesses are serious enough to limit their ability to promote entrepreneurship. An important constraint is the cost of borrowing. High interest rates, which may come from operational and risk related costs, can end up lowering the net returns for businesses, and maybe it becomes a real limiter on investment that supports

productivity (Banda 2022). Thus, there is a structural trade-off between financial sustainability of MFIs and affordability for the customers. Another obstacle is collateral requirements. Group financing addresses this problem to some extent but many financial institutions still rely on types of security that exclude the poorest entrepreneurs who do not have assets (Karanja, 2010). Even alternative collateral systems offer societal forces that can influence business behaviour and decision-making (Gough et al., 2013). Access restrictions further limit MFIs performance especially in rural and neglected areas lacking financial infrastructure. These are also sort of worsened by low levels of financial literacy and digital skills, so people cannot properly engage with financial services (Osabutey & Jackson, 2024). On top of that, weak institutional governance, plus regulatory inconsistencies, ends up feeding both mistrust and inefficiency in microfinance institutions, which in turn limits their scale, and overall long-term sustainability (Aron, 2018; Islam et al., 2018).

2.2.12. Synthesis and Research Gap

The literature generally claims that microfinance fosters entrepreneurial development mainly by lowering obstacles to financial capital. Nevertheless, its effects are not direct and uniform, but are mediated through human capacities, institutional contexts and socio-economic factors. This points to a causal chain where access to finance translates into entrepreneurial action but results are mediated by capability and context. There is a wealth of literature on microfinance and its impact. The role of microfinance and digital financial systems such as mobile money in affecting entrepreneurial development is less studied. Most existing studies examine microfinance and digital finance independently and do not consider the interaction or synergy effect on entrepreneurship. This is especially true in situations like The Gambia, where microfinance and mobile banking services are getting bigger and bigger, however there is limited empirical evidence. So, more inquiry is required to explore how integrated financial systems shape entrepreneurial development in real life conditions, more specifically for marginalized groups, who are often excluded.

2.2.13. Mobile Money and Digital Financial Services Definition and Evolution of Mobile Money

Mobile money is a form of digital financial service that allows the storage, transfer and receipt of monetary value via mobile devices without direct reliance on traditional banking infrastructure. Its importance conceptually is not just in digitising transactions but in restructuring access to financial institutions in environments historically marked by systemic exclusion. Mobile money has evolved from simple person-to-person (P2P) transfer systems to ever more sophisticated digital financial ecosystems that now include savings products, credit facilitation, merchant payments, insurance services and utility settlement platforms (Aron, 2018; Ahmad, Green, & Jiang, 2020). This evolutionary path is not to be seen, however,

as a linear technological growth. Instead, it suggests a socio-technical reconfiguration in which financial inclusion outcomes are co-produced through the interplay of institutional preparation, regulatory coherence, infrastructural capacity and user-level competency. As such, the proliferation of mobile money in Sub-Saharan Africa should be viewed as contingent, not inevitable, given the continuing deficits in digital infrastructure and financial literacy (Chinoda & Kapingura, 2024). Theoretical Framework Financial Inclusion Theory gives a basic explanation that access to affordable and functional financial services is a necessity for meaningful economic participation (Sharma, Das, & Singh, 2023). But today's literature throws a wrench into this notion, showing that access does not automatically translate into inclusion. Inclusion, however, only works if access is converted into persistent usability, contextual compatibility and behavioural adoption. This is not a given, but rather is structurally managed. This is where theoretical convergence is important. Financial Inclusion Theory accounts for the structural need for access whereas the Technology Acceptance Model (TAM) accounts for the individual level prerequisites of adoption namely perceived usefulness and simplicity of use (Chauhan, 2015; Kelly & Palaniappan, 2023). This theoretical framework implies that financial inclusion is both an infrastructural result and a mental process influenced by how users perceive it, their level of trust and digital literacy. Mobile money usage is therefore an economic and psychological concept set in institutional systems.

2.2.14. Role of Mobile Money in Financial Transactions

Mobile money is transforming the way financial transaction systems work in low-income and informal economies, facilitating real-time exchange of value without the need for physical banking infrastructure (Aron, 2018). This transition has reduced the dependence on cash-based systems, increasing the speed of transactions, traceability and informational transparency in the functioning of micro and small firms. But how much of those savings can be translated into sustainable economic gains is a matter of theoretical dispute. However, the benefits of mobile money are not uniform but critically depend on external system factors like network stability, regulation consistency, and user competence (Islam et al., 2018) whereas mobile money is often linked with reduced transaction frictions. This suggests that digital financial systems do not eliminate the structural inefficiencies but instead reconfigure them into digitally mediated dependence and new forms of exclusion risk. With respect to the Entrepreneurial Ecosystem, mobile money enhances systemic efficiency by reducing the time for transactions and improving flow of capital amongst economic actors (Ogujiuba, Eggink, & Olamide, 2023). But the effectiveness of an ecosystem does not depend solely on financial technology, but on institutional thickness, regulatory stability and infrastructural resilience. Mobile money is thus an enabler whose usefulness depends on the development of the ecosystem, and not a guarantee of universal usefulness. Further, TAM elaborates this view by stating

that adoption is not simply rational or utilitarian, but also impacts on perceived ease of use, trust and perceived risk (Chauhan, 2015; Kelly & Palaniappan, 2023). Thus, financial activity in the digital environment is constructed on socio-cognitive frameworks where technology adoption is mediated by subjective interpretations and not just objective functionality.

2.3. Benefits of Mobile Money and Digital Financial Services

2.3.1. Convenience and Financial Accessibility

Mobile money enhances financial inclusion by transcending the spatio-temporal constraints that have characterized formal banking systems in the past. This enables customers to perform transactions without necessarily being in close physical proximity to financial institutions (Aron, 2018). This is a structural change toward financial democratization in concept and especially in rural and disadvantaged communities. The idea of convenience is however theoretically contingent rather than universally distributed, as its realization is mediated by infrastructure inequalities, patterns of device ownership and user-level digital competence. Convenience in this sense should not be considered as a feature of mobile money systems but a variable product of contextual variables. This conditional convenience adds to the fluidity of the system by minimizing transactional friction and hastening the movement of resources among the actors in Entrepreneurial Ecosystem Theory (Ogujiuba et al., 2023). However, ecosystems still depend on institutional arrangements to complement their performance, which indicates that technological efficiency is not sufficient to guarantee dynamism in entrepreneurship.

2.3.2. Reduced Transaction Costs

Mobile money lowers the costs of transport-related transactions, time and intermediary banking operations (Aron, 2018; Banda, 2022). This cut is a support for micro and small firms to improve their liquidity management and operational efficiency given the severe capital limitations they face. But this apparent gain in efficiency must be seriously questioned. Mobile platforms may cut some of the indirect costs, but they also bring service fees and transaction costs that might disproportionately impact low-income customers. This leads to a structural contradiction in digital financial systems where inclusion is increased but the usage costs might be internalized by already limited actors. Thus the overall impact of mobile money on welfare is not uniform but stratified across income groups, frequency of transactions and intensity of usage.

2.3.3. Improved Savings Behaviour and Financial Inclusion

Mobile money has been linked to improved saving behaviour of digital wallets that allow for incremental and secure accumulation of funds (Takyi, Sorkpor, & Asante, 2025). Theoretically it should also promote financial discipline and resilience among the unbanked.” However, behavioural and environmental characteristics such as trust in digital systems, financial literacy and prolonged user engagement are suggested as mediators of savings outcomes (Koomson et al., 2023). Thus, mobile money should be seen as an enabling infrastructure rather than a driver of savings behaviour. Its effectiveness is contingent on the competence of users and institutional trust. This conforms to Financial Inclusion Theory which states that access to financial instruments increases the ability for consumption smoothing and productive investment (Akinyemi & Mushunje, 2020). Nonetheless, exclusion persists when issues concerning structural inequalities arise, particularly with regard to gender-based exclusions and infrastructure deficits in rural settings. At times, it feels kind of unbalanced and maybe incomplete, because the process seems a little half-finished, like it stops short in some places.

2.4.Challenges of Mobile Money and Digital Financial Services

2.4.1. Digital Literacy Constraints

Digital literacy, especially among rural and low income populations, still is a big block to the successful roll out of mobile money (Buchan, Bhawra, & Katapally, 2024). This constraint not only restricts initial uptake but also affects the engagement with digital financial systems. This directly maps onto perceived ease of use in TAM, a key predictor of technology acceptance. However, recent research has taken this view further and conceptualised digital literacy as a multidimensional notion, which includes technical, financial and behavioural competencies. This deeper understanding points to the fact that adoption is not just about the ease of use of the interface, but also about the ability of users to perceive risk, to transact and to navigate digital financial logics.

2.4.2. Infrastructure Deficiencies/Gaps

Mobile money systems are intrinsically reliant on telecommunications infrastructure, electrical supply and network coverage. Infrastructural constraints result in diverse access patterns and a geographically differentiated financial inclusion across various development contexts (Venables et al., 2025). This shows a basic tension in Financial Inclusion Theory; the theory presupposes universal access as a goal, while the actual implementation is hampered by infrastructure inequality. And so digital inclusion is made conditional on spatial and economic status, reproducing the inequalities that it would otherwise subvert.

2.4.3. Cybersecurity Risks and Fraud

A set of cybersecurity issues, including fraud, identity theft, and data breach, is yet another factor that makes the introduction of mobile money difficult. This influences the image of mobile technology as a trustworthy tool used for conducting transactions, as well as the credibility of technology as such (Okello Candiya Bongomin & Ntayi, 2020; de Abreu, 2024). In other words, trust becomes a central conceptual element that combines both TAM and institutional theories. The findings show that risk perception has a negative influence on adoption intention, particularly among new users (Kelly & Palaniappan, 2023). It means that the process of technology adoption depends not only on usability but also on the degree of institutional and system credibility.

2.4.4. Trust and Regulatory Challenges

Trust and Regulatory Issues The level of trust in mobile money is strongly influenced by the regulatory environment and institutional dependability. Discrepancies in regulations may raise uncertainty and reduce the level of trust in adoption (Aron, 2018). From an institutional perspective, regulatory fragmentation is a structural barrier to the scalability of digital financial systems. Trust therefore must be conceived both as an individual psychological trait and as an outcome of government quality, policy consistency and enforcement credibility.

2.4.5. Synthesis and Research Gap

The literature, taken together, suggests that mobile money is a revolutionary vehicle for advancing financial inclusion, increasing the efficiency of transactions and stimulating entrepreneurial activity. But this transition is not automatic and not evenly distributed. Rather than being a technical matter, it is the interaction between technical systems, institutional settings, infrastructural conditions and user level capabilities. Financial Inclusion Theory as a theoretical basis addresses the structural relevance of access, TAM addresses the dynamics of behavioural adoption and Entrepreneurial Ecosystem Theory addresses systemic interconnections in wider economic settings. Together, these models show that mobile money is not an independent innovation, but rather a socio-technical system of interdependencies. The large conceptual and geographical gap in the literature on the interaction between mobile money and microfinance systems and their impact on entrepreneurial outcomes in The Gambia is not matched by the wealth of empirical research on the topic in sub-Saharan Africa. The current studies have focused largely on adoption patterns and transaction behaviour, with less attention being paid to the long-term entrepreneurial outcomes such as firm growth, sustainability and income diversification. Moreover, there is lack of studies that combine key moderating variables such as gender, education, digital literacy and

rural-urban divide in one analytical model. This is an important gap as these determinants are key in determining the effectiveness of financial inclusion efforts. This study seeks to fill this gap by investigating the combined effect of mobile money and microfinance on entrepreneurial outcomes in The Gambia. It therefore departs from descriptive models of adoption and provides a more structurally and theoretically informed analysis of financial-entrepreneurial systems.

2.5. Synergy Between Microfinance and Mobile Money Platforms

Today, one of the most important trends in financial inclusion initiatives in developing economies is the convergence of microfinance and mobile money platforms. Microfinance Institutions (MFIs) have always been in the forefront in providing financial services to the underprivileged people, but their effectiveness has often been hampered by high operational costs, geographical limitations and administrative inefficiencies. Mobile money services are being adopted rapidly, offering new ways to overcome many of these constraints by providing a digital channel for more efficient delivery of financial services. The consensus among experts is growing on the notion that microfinance and mobile money should be treated not as distinct financial measures, but as complementary means that are used together to drive entrepreneurship and financial inclusion (Ahmad et al., 2020; Aron, 2018). This approach is justified by Financial Inclusion Theory (Sharma et al., 2023), which posits that the greater affordability and availability of financial services, as well as their accessibility, the higher are the chances that people will engage in economic activities. Mobile money platforms contribute to this purpose by eliminating many barriers that historically have been restricting access to financial services. Combining microfinance initiatives and mobile money ensures a fully functional financial system that makes it possible for entrepreneurs to obtain loans, save funds, and conduct financial transactions much more conveniently, particularly in remote regions. Among the critical advantages of combining mobile money with microfinance transactions is the enhancement of the process of loan disbursement. Usually, when lending money, microfinance organizations require the presence of branches and the borrower themselves. Though, these methods can prove inefficient as they might lead to higher costs of transactions and increased time required for service provision. Through mobile money systems, it becomes possible to transfer money from one person to another via mobile devices. As noted by Ahmad et al. (2020), digital financial platforms have considerably helped to deliver services quickly in multiple African countries and facilitate loan disbursement for those who did not have access to it before. Likewise, Koomson et al. (2023) underscores, that entrepreneurship chances are more or less expanded, because digital finance has been growing. The digitization of loan disbursement processes also carries real and practical implications for entrepreneurs who work in places that are geographically isolated or far off. Rural entrepreneurs often

deal with awkward transportation issues, and the opportunity costs that show up when they have to travel long distances just to collect loans from financial institutions. When disbursement is mobile-enabled though, those frictions get reduced because borrowers can receive funds instantly no matter where they are. So access to finance stops relying as much on physical closeness to banks and starts depending more on digital connectivity instead. This change matters a lot in Sub-Saharan Africa, where large sections of the population still remain underserved by formal banking infrastructure (Kemgou Voptia & Stukalina, 2024). Apart from being used to provide loans, incorporation of mobile money into microfinance schemes has brought about changes in the repayment collection process in microfinance institutions. Loan repayments have always been a serious obstacle in the work of MFIs because of the high costs involved in monitoring the clients and making collections. The conventional approach involves loan officers carrying out visits to borrowers or arranging meetings for them, thus causing a burden on the institutions. Digital technology can be adopted to facilitate repayment since borrowers can make payments using their phones at low costs and in minimal time. Studies in East Africa show that electronic systems make the borrowers pay on time because of flexible payment plans (Islam et al., 2018; Mutinda, 2014). The Technology Acceptance Model (TAM) can be used to explain the efficiency of mobile based pay-back systems. TAM accepts new technologies on the basis of perceived ease of use and perceived usefulness (Chauhan, 2015). Mobile payback systems make financial transactions easy and simplify the complexity of traditional repayment procedures. That's why entrepreneurs are more likely to stick to payback schedules when they have easy digital solutions at hand. The relationship implies that the adoption of technology can have direct implications on the financial performance outcomes of microfinance programs. Another major benefit of mobile money integration is improved financial record keeping and information management. One of the continuing problems faced by many microfinance firms is keeping reliable records of client transactions, savings activities and repayment histories. Errors, delays and loss of information are inherent in human record systems. Mobile platforms automatically produce digital transaction histories, giving accurate financial records for both the institution and the client, and it really helps. These digital entries help foster transparency, accountability, and make the process of tracking the financial performance progress much easier (Banda, 2022; Kelly & Palaniappan, 2023). Digital financial records also have significant implications for business owners. "Trustworthy transaction histories could act as alternative proxies for creditworthiness, especially for individuals without formal banking history or traditional collateral. Traditional documents are necessary to qualify for a loan from a formal financial institution, a service many entrepreneurs in poor countries don't have access to. Mobile transaction data enables financial institutions to assess the borrower's reliability on the basis of actual financial activity, not just physical assets. Integrating mobile money could therefore help overcome one of the most

persistent barriers to financial access for low income populations. The synergies created by improving loan distribution, payback collection and record administration play an important role in larger financial inclusion objectives. This is because scholars increasingly argue that the convergence of digital financial technology and microfinance services allows institutions to better target previously excluded communities than any intervention could do in isolation (Asongu et al. 2024; Ifediora et al. 2022). Mobile money platforms give more reach to financial services, and microfinance institutions also offer finance solutions that help push entrepreneurial actions forward. Together these strategies provide ways in which marginalized people may be more engaged in the economic development process. There is evidence from several African countries that integrated finance models have positive impacts on development. The introduction of mobile money in Kenya has changed the way financial services are delivered and access to finance by small business owners (Mutinda & Nyaga, 2017). Some results that are a bit similar have been noted in Uganda and Tanzania, where mobile financial services seem to nudge entrepreneurial activity forward, mostly by lowering transaction costs and also making liquidity management easier (Islam et al., 2018). Other work goes further, showing that adopting mobile money can lift customer satisfaction and improve the day to day performance of financial institutions. This happens because administrative load is reduced, and outreach potential is basically expanded (Ahmad et al., 2020). We can also see these patterns outside Africa. For instance, in South Asia, studies indicate that digital financial technologies have improved the efficiency of microfinance activities. They do this through trimming service delivery expenses, and by increasing how much customers are actively involved (Shafique & Siddique, 2020). In a parallel way, evidence from Southeast Asia suggests that mobile based financial services help strengthen financial inclusion results for people who are disadvantaged, since they deliver cheaper and more reachable financial instruments (Al-Shami et al., 2017). In any case, it becomes evident that the benefits resulting from integration between microfinance and mobile technology are not regional but global, meaning that the approach leads to the transformation of the finance industry in general. The results look quite promising, although there are many challenges. The performance of hybrid services is highly dependent on factors such as digital skills, technological readiness, regulations, and trust. In particular, some demographics are less likely to possess higher levels of digital literacy, which affects service uptake (Buchan et al., 2024; Huang, 2024). Network instability and a lack of sufficient telecommunications infrastructure can make digital financial services less effective in remote communities (Gikenye, 2012). In the same way, cybersecurity worries, fraud risks, and data privacy issues might lower people's inclination to use mobile based financial platforms (Okello Candiya Bongomin & Ntayi, 2020). Taken together, these issues point to the fact that simply adding technology, i.e., technological integration alone, does not automatically bring good developmental results. There is ample evidence in the literature on the

individual contributions of microfinance and mobile money to financial inclusion and entrepreneurship, but much less attention has been directed at their combined effects. Studies frequently treat microfinance programmes or adoption of mobile money as independent interventions, neglecting the potential synergistic benefits arising from the integration of the two. Furthermore, the limited number of studies investigating integrated models are mainly from countries such as Kenya, Uganda, Tanzania and Ghana. As a result, little is known about the functioning of these integrated financial systems in less studied, smaller scale contexts such as The Gambia. This gap is especially relevant because The Gambia has its own social, economic and infrastructural conditions that could influence both the scale of technology uptake and the use of financial services. Factors such as rural access, digital literacy levels, entrepreneurial culture and institutional capacity may influence the effectiveness of integrated microfinance and mobile money systems in ways that are not the same as other Sub-Saharan Africa experiences. Also, the existing studies in The Gambia are on general financial inclusion indicators and not the influence of integrated digital financial services on entrepreneurial growth, business sustainability and economic empowerment. Hence, there is an urgent need for empirical studies that explore the joint effect of microfinance and mobile money services on entrepreneurial outcomes in the Gambian context. Filling this gap will contribute to the literature on financial inclusion and to the broader debate on entrepreneurship development and digital transformation in emerging economies.

2.6.Theoretical Review

This issue of the linkages between financial inclusion, microfinance services, mobile money adoption and entrepreneurship development is one that has been extensively studied in entrepreneurship and development research literature. Indeed, in most emerging economies across the world such as those in Sub-Sahara Africa, entrepreneurs face challenges in accessing conventional forms of financial services that can help them establish, run and grow their businesses. On the other hand, the advancement of digital financial technologies has significantly reshaped the landscape of accessing financial services. To appreciate the role played by digital financial innovations in facilitating financial inclusion and entrepreneurship development, it becomes imperative to have a solid theoretical framework that takes into account both the financial, technical, social and institutional aspects of the process. This paper adopts four different theories which include: financial inclusion theory, technology acceptance model (TAM), diffusion of innovation (DoI) theory and entrepreneurial ecosystem theory. Each of these theories offers a different yet complementary explanation of the role played by the various aspects discussed in promoting financial inclusion and entrepreneurship development.

2.6.1. Financial Inclusion Theory

Theory of Financial Inclusion Set Theory: Financial services that are affordable, appropriate in the context and timely from standpoint of availability, play a very important role in full-scale economic participation by the individuals / companies. It draws on the development economics and financial sector research that has widely blamed exclusion from formal financial systems as a key constraint to poverty reduction, increased economic participation and entrepreneurship (Sharma et al., 2023). Beyond the traditional sense of availability of financial institutions, real financial inclusion includes not only accessibility but also affordable, quality and effective use of various financial products & services. This theory is based on three main assumptions. First, financial services access empowers people and firms to gather resources needed to make productive investments. The second impact of using financial services is that savings, credit access, insurance and payment mechanisms can provide stability to the economy. Third, the provision of quality financial services enhances welfare outcomes through enabling individuals to make informed financial decisions and management of risk more effectively (Akinyemi & Mushunje, 2020). Theoretical Background Financial Inclusion Theory is an explanation as to how financial constraints influence business creation and growth, and the theory plays a crucial role in entrepreneurship research. Entrepreneurs need capital to create businesses, buy tools, have working capital and respond quickly to market opportunities. Nevertheless, these financial systems are out of reach for a majority of micro-entrepreneurs in developing countries due to prohibitive collateral requirements, high transaction costs, distance and information bottlenecks. They disproportionately hit women youth, and people from rural areas, who are also more likely to be unbanked, via a bank (Rashid et al., 2025). The article proposes that better access to financial services can contribute to reducing the barriers to developing entrepreneurial activity. Empirical research suggests that entrepreneurs with access to formal financial services are more likely to invest in productive assets, diversify income-generating activities and improve firm performance. Examples include Weerasekara (2020) who believes that resilience building through saving, access to emergency finances and ability to handle business risks are all tied to financial services. Other studies, such as the above, also criticised the Financial Inclusion Theory for assuming that access to finance automatically translates into meaningful usage and positive outcomes. In this regard, scholars have identified that providing financial access does not guarantee entrepreneurial success. Users may not have the required financial literacy, digital skills, confidence in financial institutions and supporting infrastructure to maximize the use of finance for entrepreneurship (Danladi et al., 2023), an example of such study that studies the modern interpretations of the Financial Inclusion Theory to assess the ability to use financial services effectively. While the above-mentioned work deals with the limitations of

Financial Inclusion Theory, this paper seeks to contribute to the ongoing debate on the role of complementary theories to explain how people adopt financial technologies, given the complex interplay between various environmental conditions and their influence on financial behaviour. Financial Inclusion Theory provides the basic explanation of the role of mobile money and microfinance services in contributing to entrepreneurial development, given financial innovations to extend access to the underserved populations in the real world. Both financial innovations represent practical mechanisms in The Gambia through which financial inclusion can be achieved.

2.6.2. Technology Acceptance Model (TAM)

The Financial Inclusion Theory is concerned with the need for individuals to access financial services, but it doesn't help to explain why someone would either adopt or reject a particular financial technology. The Technology Acceptance Model (TAM) (Davis, 1989), provides the missing piece by providing a behavioural rationale for users' adoption of technology. Davis (1989) states that the two main drivers for an individual to use a new technological innovation are perceived usefulness and perceived ease of use. Perceived usefulness is based on the individual perception of how using the technology will help them perform better, whereas perceived ease of use indicates how easy the individual perceives the technology is to use. The user's perceptions toward the technology will shape the user's attitude toward the technology and ultimately influence the user's intention to use the technology as well as the actual use of the technology. The Technology Acceptance Model (TAM), is likely the most widely used framework for understanding how individuals accept and use new, digital technologies—and in particular, different types of banking, such as online, mobile and m-banking or mobile money services (Ahmad, 2018). In the context of the entrepreneurial environment, TAM indicates that business owners will accept different types of financial technology only when they perceive that to be beneficial; in this case, the business owners will benefit from their transactions being processed quickly, at lower costs, through improved recordkeeping, and through an enhanced ability to manage their finances. With respect to mobile banking in Africa, there is significant research supporting TAM. For example, Lule et al. (2012) found that perceived usefulness and ease of use positively influenced mobile banking adoption for Kenyan customers. Similarly, Kelly and Palaniappan (2023) showed that a number of determinants influence the continued use of mobile money, including perceived usefulness; trust in the mobile money technology; social influence from family, friends and peers; and confidence in their ability to use the mobile technology. The importance of TAM to entrepreneurship lies in the fact that most entrepreneurs operate with limited resources and so they will choose to use technologies that will enable them to be efficient and minimise their operating costs. In this regard, mobile money platforms provide entrepreneurs with the ability to receive payments

from customers, transfer funds between businesses, obtain credit, and conduct business transactions more efficiently than they can via traditional banking systems. As a result, when entrepreneurs perceive that mobile money provides better ways to perform business transactions, they are more likely to begin accepting mobile money as part of their business practices. However, TAM has also been criticised for its focus on individual cognitive elements at the expense of wider social, cultural and institutional impacts. Technology adoption is not an isolated act, but is influenced by social norms, peer pressure, availability of infrastructure and regulatory conditions. Such constraints imply the need for other theoretical views to understand the diffusion of financial technologies in communities and social networks. In this study, TAM provides a valuable framework for exploring the perceptions and adoption of mobile money services among Gambian entrepreneurs. It helps to explain the behavioural mechanisms via which the digital financial technology influence entrepreneurial activity and firm performance.

2.6.3. Diffusion of Innovation (DoI) Theory

Developed by Rogers in (2003), the Diffusion of Innovation (DoI) Theory provides a broader framework for the analysis of technology adoption through an examination of how innovations are diffused through social systems over time. While the focus of Technology Acceptance Model (TAM) is largely on how individuals perceive technology, the focus of the DoI theory is more on the nature of the communication process, social influences and the interaction of networks that contribute to adoption behaviour. According to Rogers (2003), diffusion is defined as the process through which an innovation is communicated through a certain number of channels over a period of time to the members of a social system. The DoI theory posits that adoption is not an instantaneous event, but instead an incremental process comprising five stages: awareness, persuasion, decision, implementation and confirmation. Typically, it takes time for individuals to progress through these stages before they have fully adopted an innovation. One of the most common contributions from DoI Theory has been the classification of adopters into five categories: innovators, early adopters, early majority, late majority and laggards. This categorization shows how innovators have a different rate of diffusion and illustrates the importance of social learning and peer influence with regard to patterns of adoption. According to Rogers (2003), there are five factors that determine the rate at which an innovation spreads: relative advantage, compatibility, complexity, trialability, and observability. An innovation that people see as useful and having a higher advantage compared to similar products; being compatible to current practices; easy to comprehend; being experimented upon; and whose benefits can be observed is more likely to spread quickly. In the context of mobile money, it is important to note how DoI Theory can provide insights on how the innovation is spread in entrepreneurial societies. Entrepreneurs, especially those in rural societies, tend to learn about new technology from social

contact, peers, and their community at large. Witnessing its success in the hands of other entrepreneurs will definitely minimize the uncertainties and facilitate its adoption. Trust in social networks plays a crucial role in facilitating the diffusion of innovation, as Buskens (2020) claims. According to him, innovations in a scenario where trust in formal institutions is weak are diffused faster due to social network trust. Thus, DoI Theory is very appropriate for examining how innovations diffuse in a rural society. Nonetheless, it is argued that DoI may overlook some complexities regarding diffusion by assuming relatively straight lines. In spite of these restrictions, DI still has significant relevance in terms of understanding the process of mobile money acceptance amongst entrepreneurs within their ecosystems. Therefore, this research uses DI Theory to analyse how mobile money services are exchanged within a population of entrepreneurs in The Gambia, and also how social networks impact acceptance of advanced technologies (financial technology).

2.6.4. Entrepreneurial Ecosystem Theory

The Entrepreneurial Ecosystem Theory expands analysis beyond individual entrepreneurs employing technology; rather, it addresses the broader environmental context in which an individual will conduct their entrepreneurial activities. As defined by Isenberg (2010), "The entrepreneurial ecosystem consists of interconnected actors, institutions, resources, and processes that work together to promote entrepreneurship in a particular geographic region or economy." The theory developed from the fact that the success of an entrepreneur relates to their individual capabilities, as well as to the institutions and networks that provide resources and support his/her ability to become successful. Components of an entrepreneurial ecosystem generally include financial institutions, educational institutions, government agencies, infrastructure systems, business support services, cultural norms, and social networks (Stam, 2015). The Entrepreneurial Ecosystem Theory asserts that the manner in which all of these components relate to one another will produce different behaviours of entrepreneurs, with the results of those behaviours impacting the outcomes of entrepreneurs. An ecosystem that is sufficiently robust provides access to financial resources, as well as access to counsel, market access, knowledge resources, and institutional support. An ecosystem that is weak, will impede the development of entrepreneurial activity even though the individual desires to engage in business and possesses the skills necessary to do so. Several studies have found that there exists an empirical link between entrepreneurial success and the quality of the elements of the ecosystem. New firm formation and innovation matter greatly to ecosystem quality (Guerrero et al., 2021). A very good framework for financing entrepreneurship across Africa and other considerations need to be in place (Abdulai & Hussain, 2024). Also, the relationship between finance and business support services with respect to the SMEs was said by Ogujiuba and al., (2023) to be a critical

concern. Our research is based on Entrepreneurial Ecosystem Theory where mobile money platforms and microfinance institutions are the major elements of an ecosystem. The effectiveness of them comes not only from their ease of access, but also availability of other supportive factors such as regulatory backing, digital infrastructure, education systems and social acceptance. One weakness of the theory is that entrepreneurial ecosystems are so complicated that they can't simply be operationalised through trials as they have numerous interrelated aspects. However, the term provides a broad and comprehensive view that entrepreneurship occurs in a larger context. The conceptual foundation of our study was the theory of entrepreneurial ecosystems in exploring the influence of financial inclusion policies and financial technologies in the institutional and social context of The Gambia.

2.6.5. Synthesis of the Theoretical Review

Together these theories explain the dynamics between financial inclusion, mobile money, business services, and entrepreneurship development. Financial Inclusion Theory illustrates the importance of having access to financial means for engaging in entrepreneurial activity. TAM formulates entrepreneurs' decisions to use and finance technology based on the perceived usefulness and ease of use of financial technologies. DoI Theory enhances this perspective by highlighting the function of social networks and social communication when diffusing innovations. The processes examined under this model are nested within the larger institutional and environmental framework by the Entrepreneurial Ecosystem Theory. Although the theories are complementary, they are analytical different levels for the analysis. The Financial Inclusion Theory is concerned with the right to access the financial resources and services. TAM and DoI the behavioural and social aspects of technology adoption. Entrepreneurial Ecosystem Theory highlights the structural and institutional factors influencing inter-regional differences in entrepreneurial vitality. It follows that the synthesis of these viewpoints offers a multilevel account of the development of entrepreneurship, one that spans financial, technological, social and environmental dimensions. Collectively, these theories indicate that the development of the entrepreneur cannot be understood independently of, for example, the supply of finance or technology. Rather, the development of a successful entrepreneur is a result of the interaction between a set of factors including financial availability, technology implementation, social influence, institutional support, and the dynamics of the ecosystem. This holistic theoretical approach enables a thorough analysis of the impact of mobile money on MSMEs' entrepreneurial development in The Gambia. There are still significant empirical strands left unexplored in this area of theories. The few studies that exist tend to focus on financial inclusion, mobile money and microfinance as distinct issues rather than how they interrelate and contribute to entrepreneurial development. Also, there is scant evidence on how demographic and contextual

characteristics (gender, age, digital literacy, rural/urban residence) impact these relationships in The Gambia. The desire to fill these gaps is the main driving force of the current paper.

2.7. Empirical Review

2.7.1. Empirical Evidence on Financial Inclusion and Entrepreneurship

Financial inclusion has increasingly been seen as a key driver for entrepreneurial growth, especially in developing economies where access to official financial services stays quite limited. But it's not just about giving people access to banking, no. It's more like the whole thing, availability, cost, and how well people can actually use financial tools so they can take part in economic life. In the entrepreneurship literature, financial inclusion is often treated as a pathway or a channel, where individuals who have few resources can reach financial capital, so they can start, grow, and keep their business going. That view fits pretty well with Financial Inclusion Theory, which basically claims that when people can access suitable financial services, it reduces economic exclusion, and also improves active economic involvement among groups that are usually marginalized (Sharma et al., 2023; Akinyemi & Mushunje, 2020). Empirical evidence implies that financial inclusion i think does contribute notably to entrepreneurial activity by lowering those financial barriers that often, prevent business formation, or even later expansion. Across Sub-Saharan Africa, researchers have been pretty consistent in finding a positive link between access to formal financial services and business outcomes like revenue growth, job creation, firm survival, and the ability to invest. Ifediora et al. -financial inclusion has been proven to significantly enhance economic growth by improving access to lending and saving channels for businesses to deploy resources more efficiently (2019). Moreover, Danladi et al. (2023) argued that an inclusive financial system supports sustainable development through its support for small firms and reducing poverty among at risk populations. A more comprehensive examination of the research reveals that the rewards of financial inclusion go beyond just having access to money. Financial inclusion also influences entrepreneurs' decision making, risk taking and what they choose to invest in. Entrepreneurs are more inclined to invest in profitable enterprises, to diversify their business into multiple areas and to adopt newer or less prevalent business processes by using formal financial services. According to Weerasekara (2020), financial inclusion increases the capacity of entrepreneurs to recognize and seize business opportunities in areas where there is no adequate banking infrastructure. This conclusion corroborates the ideas set forth by the Entrepreneurial Ecosystem Theory that calls for supportive institutional arrangements to promote entrepreneurship. In spite of the consensus on the benefits of financial inclusion, it should be noted that there are certain contextual differences in terms of its impacts. The influence of financial inclusion is often dependent on education, digital skills, gender roles, and geographical location. Studies carried out in

several African nations show that financial inclusion alone cannot guarantee entrepreneurial success. In this respect, entrepreneurs need to be equipped with adequate knowledge and skills that will enable them to make efficient use of their access to financial services. There is a special link between entrepreneurship and financial inclusion; in particular, for female and youth entrepreneurs who are more likely to face barriers at financial institutions due to different structural barriers. Women business owners face difficulty in raising funds, due to factors such as ownership of assets, the collateral requirements and further social issues (Amine & Staub, 2009). Similarly, young entrepreneurs find it hard to access loans because of the absence of financial history and company expertise (Gough et al., 2013). As such, financial inclusion efforts have been touted as ways to reduce such inequities and encourage more equal possibilities to entrepreneurship. Although there is abundant evidence in the literature about the importance of financial inclusion in entrepreneurial development, there are major gaps. Most of the literature to date has been on access indicators such as account ownership, loan uptake and use of financial services. However, relatively little emphasis has been placed on understanding the role of financial inclusion in influencing long-term entrepreneurial outcomes such as business sustainability, income diversification and enterprise resilience. Furthermore, there is a lack of information from The Gambia specifically and hence there is debate around the extent to which findings from other African contexts may be extended to the Gambian entrepreneurial environment.

2.7.2. Empirical Evidence on Microfinance and Entrepreneurship

Microfinance has surfaced as one of the most frequently used approaches to promoting entrepreneurship among the poor. The basic concept of microfinance rests on the argument that small loans, savings products, and other financial services empower poor and economically active people to start businesses that could generate sustainable incomes and better their lives. The microfinance initiatives, drawn from the theory of financial inclusion, were meant to correct the market failures in which the poor households and small entrepreneurs became clients ignored by the mainstream financial institutions. Empirical literature has outlined entrepreneurial outcomes as one of the positive effects that can accrue from microfinance. For example, McKernan, in 2002, showed that participation in microcredit programs increased self-employment profits among low-income borrowers. By way of example, one of the recently published works by Newman et al. (2014) underlines how, via capital augmentation, diminishment of liquidity constraints, and facilitation of business investment, microfinance improves entrepreneurial outcomes. All these converge toward the notion that financial capital is among the most important prerequisites for entrepreneurial growth, especially in under-resourced settings. Microfinance has thereby been a very important tool in promoting scale entrepreneurship in Africa. More so, research in Nigeria,

Ghana, Kenya, and other African countries shows microfinance services have led to the expansion of businesses, increased income, and even job creation (Babajide, 2012; Etim, 2011). Microcredit allows entrepreneurs to invest in productive assets, increase stock, and conduct other business activities that would otherwise not be possible due to financial constraints. Of the many concerns within the literature, one of the central themes has been whether and how microfinance contributes to women's entrepreneurship. The barriers that women face in accessing traditional financial services due to low asset bases and other institutional constraints are so significant that microfinance programs have targeted women to induce a chain reaction of economic empowerment and, thereby, reduce gender inequality. Evidence from The Gambia and a few other developing countries shows that microfinance has increased economic independence, business ownership, and household welfare among women (Ceesay, 2023; Sanyang & Huang, 2008). The results are also consistent with the findings of Lamichhane (2020) where microfinance was one of the important factors to improve women's decision-making power and participation in entrepreneurship. However, an important strand in critical literature warns against too-reductionist interpretations of microfinance impacts. Even though an overwhelming number of studies document positive impacts, evidence regarding business sustainability over time is often mixed. Some go as far as arguing that credit per se is not sufficient for successful entrepreneurship. According to Frank and Landström (2016), business growth more often than not hinges on the presence of other factors pivotal to success, including managerial and market access, along with the entrepreneurial ability itself. However, in some instances, entrepreneurs may not earn enough profit to repay loans, hence depending on debt rather than real economic empowerment. There is also an increasing body of literature on the shift of focus to youth entrepreneurship and microfinance. Youth are a large population in the African context, even though young entrepreneurs often face challenges in accessing formal financial services. Some research shows that microfinance can be quite promising for youth entrepreneurship, and self-employment too, especially when it's paired with financial literacy mentoring and support to help businesses grow (Kasonde, 2025; Tanimu et al., 2025). However, the impacts of these programs have been variable in regard to local economic conditions and more extensive institutional environmental factors. Another key dimensions relate to loan performance and income effects. While most studies have tracked income improvements among the participants in microfinance schemes, there is still some debate about the size and sustainability of such a change. According to Shahriar et al. (2016), the nature and operational objectives of MFIs give direction to the entrepreneurial outcome. Adusei and Adeleye (2024) further stated that institutions' strength and viability of microfinance programs stimulate entrepreneurial activities. Empirical literature suggests that microfinance can contribute significantly to entrepreneurial growth. However, the approach and impact of microfinance will be dependent on education, institutional

support, financial literacy and market opportunities. This suggests that microfinance should not be seen as a panacea to all challenges in promoting entrepreneurship but rather as one element of a broader set of initiatives for entrepreneurship development support.

2.7.3. Empirical Evidence on Mobile Money and Business Development

In sub-Saharan Africa, the mobile money phenomenon is rapidly altering the economic landscape. Mobile money allows users to withdraw, deposit, transfer, receive and spend money using a mobile phone through a mobile network operator. The Technology Acceptance Model (TAM), together with the Diffusion of Innovations Theory, could yield valuable explanations for the popular uptake of mobile money services. According to Chauhan (2015) and Kelly and Palaniappan (2023), it is assumed that they will use it when they find it useful, easy to use and suitable for their needs and social environments. Evidence from East Africa is among the strongest in terms of mobile money's development impact. Kenya's mobile money ecosystem is becoming a common example for how the growth of digital financial services can foster entrepreneurship. Studies have shown that mobile money can reduce transaction costs; improve cash flow management; and enable the use of business operations among small and medium enterprises (Mutinda, 2014; Islam et al., 2018). Thanks to technology, entrepreneurs can get their payments faster, keep better financial records, and make transactions without the hassle of cash logistics. Similar findings have emerged from research in Uganda and Tanzania. Mobile money services have been associated with enhanced business efficiency, proper management of liquidity, and greater access to financial services for those customers who had been previously deprived of such opportunities (Koomson et al., 2023). Mobile money also allows entrepreneurs to invest more of their resources in productive business activities by lowering the costs and risks of financial transactions. This corroborates Schumpeterian views in which innovation is a driver of economic growth and entrepreneurship. A key focus of the literature is the importance of mobile money in driving saving behaviour. Distance, costs and lack of infrastructure also make traditional banking services inaccessible for rural communities. Mobile money services also offer people alternative ways to save money in a safe and convenient manner. As revealed by Takyi et al. (2025), it is established that the mobile money clients within the country of Ghana have been utilizing various forms of digital savings platforms in order to fund their businesses and their education needs in emergencies. These findings suggest that mobile money can not only be used for conducting financial transactions but also for managing financial activities which create entrepreneurship. The importance of mobile money for business efficiency and performance of operations is further underscored in the literature. Mobile payments influence faster transaction, minimize cash handling risk and provide greater financial transparency. Asamoah et al. (2020) point mobile success tools as positive influence on growth

of businesses as it allows firms to better engage with customers and vendors. Ahmad et al. (2020) also argue that mobile money contributes to financial inclusion by linking entrepreneurs to larger financial ecosystems. Nevertheless, the existing research literature identifies several potential difficulties that could affect the implementation of mobile money services, in spite of all the benefits they provide. Lack of digital skills, problems with the reliability of the network, doubts about cyber security, and confusing regulations are preventing any further development in this direction (Aron, 2018; Buchan et al., 2024). In addition, digital divides often perpetuate existing social disparities, including gender, rural-urban, and education-based divides. Therefore, the entrepreneurial gains attributable to mobile money may be unevenly realised across populations. While there is sufficient evidence on the separate effects of mobile money and microfinance, and a handful on how each innovation individually impacts entrepreneurs, there is less research on the interaction between the two and when the presence of both changes outcomes for entrepreneurs. This gap is particularly pronounced in the case of The Gambia where studies on integrated financial services are scant. Prior research has been largely oriented towards financial inclusion rates or specific financial products offered, rather than how dual access to microfinance and mobile money might affect business growth, sustainability, and success as an entrepreneur. This constraint, therefore, strongly supports the present study, which aims to assess the synergistic effects of microfinance and mobile money on entrepreneurship in the Gambia.

2.7.4. Empirical Evidence on the Integration of Mobile Money and Microfinance

Growing convergence between mobile money platforms and microfinance organizations have attracted the attention of both scholars and development practitioners as part of agendas for enhancing financial and entrepreneurial inclusion. Although microfinance Institutions (MFIs) have traditionally concentrated on providing credit and saving services to unserved populations, they now have the opportunity to harness the benefits of accessibility, affordability, and acceptability that mobile money technologies are bringing to complement and extend their offerings. The convergence of these two financial technologies is seen more and more as a tool to overcome long-standing impediments to financial inclusion for the poor, especially in the third world. From the theoretical perspective the convergence of mobile money and microfinance can be explained through the theory of Financial Inclusion, which states that availability and accessibility to financial services drive through economic activities and entrepreneurship (Akinyemi & Mushunje, 2020). In a similar vein, the Technology Acceptance Model (TAM) indicates that consumers are willing to use digital financial services when they are perceived as useful and easy to use (Kelly & Palaniappan, 2023). Hence, the combination of mobile money and microfinance can tap into new markets by providing access to finance as well as by addressing practical barriers to financial

transactions. Evidence from Sub-Saharan Africa suggests that mobile-money-based integrated microfinance models have the potential to enhance both institutional performance and client outcomes. According to Ahmad Green and Jiang (2020), mobile financial technology has transformed innovatively the way through which financial services are supplied by decrease of transaction costs and greater reach to populations that had been historically excluded. Their analysis notes that digital financial services allow for faster loans distribution, effective payback processes and rise in client interaction. Similarly, Koomson, Martey and Etwire (2023) found that mobile money has greatly benefited entrepreneurial activities through effective cash management and better access to financial resources. A lot of research studies demonstrate that mobile technologies are more efficient in delivering microfinance. Traditional microfinance delivery requires a big physical infrastructure and direct interactions between agents and clients, leading to significant expenses of operation. Mobile delivery minimizes expenses by digitizing all transactions, reducing paper works and providing fast tracking of client's accounts. The advantage that comes with this mobile money model, which is based on the agent, improves service delivery in the rural areas through removing barriers brought about by geography and making transactions easier (Bongomin et al., 2023). The efficiencies could increase the viability of the MFI and also expand access to services for clients. But the evidence of integration is growing more and stronger, while the previous studies are still fragmented. Much of the literature discusses mobile money and microfinance as separate interventions, not as complimentary aspects of a larger financial services ecosystem. While many research indicates constant increases in financial access, relatively fewer studies explore whether this influence on obtaining financial services translates to longer term effects in terms of entrepreneurial growth, business expansion and economic empowerment. However, access to cash alone is not necessarily enough for entrepreneurship success, as access and knowledge of markets, workable business skills, and access to institutional support are also necessary, according to Newman, Schwarz, and Borgia (2014). Also, the evidence for the success of integrated models is situation dependent. Thus, success in Kenya, Tanzania and Uganda cannot be replicated per se in other countries with different legislative frameworks, technology infrastructures and socio-cultural environments. Previous studies also tend to focus on quantitative measures such as loan uptake, repayment rates and transaction volumes, and less on the lived experiences of entrepreneurs and the effects of financial innovation on business performance. This provides substantive options to study as to how synergetic mobile money and microfinance systems foster entrepreneurship development across contexts.

2.8. Empirical Studies from The Gambia

Comparative analysis of the Gambia with other Sub-Saharan African nations suggests that the literature on financial inclusion and entrepreneurship in the Gambia is still rather sparse. Studies to date concentrate on areas such as microfinance, women's empowerment and financial inclusion and there is little empirical research on mobile money uptake in relation to microfinance. There is a risk that knowledge of services to support entrepreneurship development from the perspective of integrated financial services in the Gambia becomes obscured because of this paucity of evidence. Research examining microfinance in The Gambia has focused on women's empowerment, poverty alleviation, and economic. Sanyang and Huang (2008) also demonstrated positive effects in income generation and household welfare for rural women engaged in microfinance schemes. Their results suggest that working with small loans allowed women to pursue productive work and to solidify their economic autonomy. In the same vein, Senghore (2019) brought out how Islamic microfinance products can be utilized effectively to empower women economically through granting them the access to much needed financial resources and entrepreneurial avenues. Recent works keep reinforcing the significance of microfinance, with regard to financial inclusion. Jabang (2024/2025) studied the effects of microfinance credit utilization on the performance of micro, small, and medium-scale enterprises (MSMEs) in The Gambia and substantiates positive implications of the credit on business operation and financial performance. However, it also noted that challenges in access to loan, to repay and that some entrepreneurs had insufficient financial literacy. These suggest that even if microfinance is appropriate to the business activities of poor people, its effectiveness may be limited by wider contextual and institutional factors. Financial inclusion has also attracted increasing scholarly attention. Jallow (2024) analysed the role of credit unions in the financial inclusion agenda and made a conclusion that local financial institutions play a vital role in providing financial services to marginalized communities. The study stressed that there is a persistent disparity in access to financial services across different population and regional groups, thus calling for more gender-sensitive and location-sensitive finance delivery tools. Nevertheless, studies were scarcely found to specifically address mobile money in The Gambia. While mobile money services have been ubiquitously promoted over the entire continent of Africa, only a handful of studies on the Gambia have attempted to thoroughly investigate the penetration of the services and their effects on entrepreneurial activities. Discussions of mobile financial services seem to be mainly subsumed within wider discussions of financial inclusion rather than being the subject of dedicated studies. Localized evidence pertaining to this question is lacking, which inhibits the understanding of the role that mobile money plays in business, financial practices, and entrepreneurial growth in the country. Explored studies on the Gambia, however,

tend to focus on financial products in isolation rather than considering potential synergies across products. Studies are more likely to focus on microfinance or financial inclusion, but less focus is applied to how mobile money technologies can be used to support the delivery of microfinance services. Therefore, there are important unanswered questions about the extent to which digital financial platforms can improve the reach and quality of microfinance services and in turn improve entrepreneurial outcomes.

2.9.Synthesis of Literature

The findings of this review indicated that financial inclusion, microfinance and mobile money technologies have considerable potential in empowering entrepreneurship and economic development. In general, increasing access to financial services is considered by researchers to be a factor that promotes the opportunities for individuals to invest in productive economic activities, enhance their risk management, and participate in economic processes more broadly (Sharma et al., 2023; Akinyemi & Mushunje, 2020). There is also some convergence of opinion about contribution of microfinance to promoting entrepreneurship. It is also consistently reported that availability of credit helps entrepreneurs set up a business and expand their operations as well as increases their household income (Etim, 2011; Lingden, 2024). In a similar vein, there is evidence to show that mobile money sites promote financial transactions, lower the cost of conducting transactions, and enhance access to financial services, particularly in underserved areas (Aron, 2018; Ahmad et al., 2020). The literature also reveals an increasing acceptance in the significance of technology innovation in promoting financial inclusion. Based on TAM and Diffusion of Innovation Theory (DOI), researches discuss the potential of mobile financial technologies to break down barriers related with the conventional banking system as “the natural alternative”, referring to the enhancement of availability, access and ease in performing financial transactions (Kelly & Palaniappan, 2023; Buskens, 2020). These technologies seem to be especially well suited for rural areas where physical banks may be far away. Nonetheless, it also leaves substantial contradiction. Even though most researches stress the positive effects of financial inclusion programs, some of them argue the barriers remain such as high transaction costs, poor digital literacy, regulatory impediments and gender disparity (Banda, 2022; Osabutey & Jackson, 2024). Thus, the literature portrays a nuanced image in which financial innovation opens up possibilities, and also brings about new problems. Another inconsistency concerns how entrepreneurial outcomes are assessed. A number of studies do use metrics such as successful repayment of loans or financial access as proxies for entrepreneurial success. But these metrics do not necessarily reflect outcomes like business survival, the ability to innovate, job creation, or long-run income growth. As a result, although the importance of financial access as a key enabler for entrepreneurship is uncontroversial, the evidence on its longer-term

developmental effects is less strong. In general, the body of evidence firmly indicates that financial inclusion, microfinance, and mobile money have positive effects on economic and entrepreneurial engagement. Yet the exact pathways through which these interventions affect business growth – particularly when bundled together – are not well understood.

2.10. Research Gap

Although a great deal of research has been conducted on financial inclusion, microfinance, and mobile money individually, there are still some critical gaps in the literature. First, there is a conspicuous absence of research at the conjunction of microfinance, mobile money and development of entrepreneurs. The majority of existing work considers these financial innovations as separate interventions, in spite of emerging evidence suggesting the two are integrated on an operational level. Thus, it is unknown to what extent their coalescence produces synergy effects that can enhance entrepreneurial results over and above what is attainable with a single-tool solution. Second, the availability of empirical research in the context of The Gambia is miniscule. A significant proportion of the existing literature comes from countries such as Kenya, Uganda, Tanzania, Ghana, and Nigeria where the mobile financial ecosystem is far more advanced. Although these studies offer invaluable perspectives, their generalizability may be limited when applied to the context of Gambia due to variance in institutional arrangements, technological infrastructure, socio cultural dynamics and financial system. Localised evaluation is missing in the country; this results in a major knowledge gap in the efficacy of bundled financial services in The Gambia. Third, the empirical literature focuses on indicators of financial access rather than on indicators of outcomes of entrepreneurship. Indicators including loan penetration, repayment performance, account ownership, and transaction frequency are regularly employed as measures of success. But there are relatively few that consider whether such financial services foster business expansion, income diversification, innovation, or long-term economic empowerment. The developmental effects of integrated financial services are thus inadequately understood. Fourth, consideration of demographic differences has been overlooked. Variables like sex, age, education, digital/financial literacy and urban/rural residency may play an important role in both financial service and entrepreneurship success. Women, youth and rural entrepreneurs generally have different types of barriers that inform their interaction with financial innovations too. Still, these variables are seldom analysed instrumentally in integrated models of analysis. Finally, the results of Quality Assessment remain surprisingly stable throughout the body of evidence. Cross-sectional data Many evaluations employ cross-sectional quantitative research design, which measure results at one time. Longitudinal mixed-methods studies tracing the evolution of financial practices and entrepreneurial outcomes across time are scarce. Such evaluations would offer insight into

the sustainability of financial interventions and their effect on the development of enterprises. In view of the above, the study seeks to fill these gaps by evaluating the joint effect of microfinance and mobile money on entrepreneurial development in The Gambia. This research aims to make a substantial contribution to a region where there is a dearth of such analysis in both Gambian and broader African literature by providing new empirical evidence, as it “seeks to add value by exploring the intersection between entrepreneurial outcomes, as opposed to financial access per se, with demographic differences and contextual realities”.

CHAPTER THREE: METHODOLOGY

This chapter describes the methodology of the study we conducted. This section provides an overview of the research design, study area, population of the study, sampling techniques, data collection methods and instruments as well as procedures for data analysis. It also outlines the ways through which the reliability and validity of the instruments were checked as well as ethical considerations that were made in executing this research. These details are provided to ensure the research processes were clear, transparent and replicable, while also maintaining a systematic and rigorous approach to assessing the effects of microfinance and mobile money on entrepreneurial performance in The Gambia.

3.1. Research Design

The present study adopted a mixed-method approach that involved the combination of both quantitative and qualitative methods. The main objective of using this method in this study was to understand the whole picture of entrepreneurial performance through combining the statistical findings and the lived experiences of the respondents. The first stage entailed carrying out a statistical analysis of the impact of microfinance access, mobile money utilization and synergy and barriers to entrepreneurial performance. Qualitative analysis, on the other hand, involved exploring the lived experience of the respondents with regards to financial inclusion and exclusion and the challenges of dealing with microfinance and mobile money services. Mixed methods were used for the study based on entrepreneurship and financial inclusion in developing economies (Ahmad et al., 2020; Tanimu et al., 2025).

3.2. Study Area

This study was conducted in selected low-income communities within Kanifing Municipality, Serekunda, Brufut and Brikama in The Gambia. These areas were purposively selected because they host a high concentration of micro, small and medium-sized enterprises (MSMEs), many of which operate within the informal sector. Furthermore, access to traditional banking services is limited in these communities, which makes microfinance institutions and mobile money services vital enablers of financial inclusion for entrepreneurs. The selected locations provide a suitable environment to study the nexus between access to microfinance, mobile money utilisation, and entrepreneurial outcomes, given that entrepreneurs in these regions often rely on alternative financial services to keep their businesses running.

3.3. Population of the Study

The study targeted owners and operators of micro, small and medium-sized enterprises (MSMEs) living in low-income neighbourhoods in The Gambia. These were entrepreneurs who are clients of microfinance

institutions, users of mobile money services or people in business-related financial activities directly or indirectly. These population categories have been selected on the basis that they are the main users of financial inclusion mechanisms and digital financial services in the country. Their experiences are particularly helpful in evaluating the impact of access to microfinance and mobile money on entrepreneurial activity and company development outcomes. Considering the purpose of the study, i.e., to investigate the combined effect of microfinance and mobile money on entrepreneurial performance, it was important to identify participants with direct and practical experience in the use of financial services, the adoption of financial technology, and business operations.

3.4. Respondent Selection

The respondents for the study were selected from field trips to various places in the municipalities of Kanifing, Serekunda, Brufut, and Brikama in The Gambia. The reason why those areas were chosen is because they have the highest activity of MSMEs. Entrepreneurs working in the areas under consideration were contacted directly and informed about the aims and objectives of the study. Individuals who qualified for participation in the study based on the criteria of active engagement in entrepreneurial activities and/or experience in microfinance and/or mobile money were encouraged to take part. It should be noted that the participation was completely voluntary, and those who agreed to take part signed an informed consent form.

3.4.1. Sampling Technique

The study used a mix of stratified and convenience sampling techniques for the quantitative aspect, while the qualitative relied on purposive sampling techniques. For the quantitative survey, respondents were initially split into three groups, on the basis of how they used financial services: microfinance users ($n = 75$), mobile money users ($n = 68$), and entrepreneurs who used both microfinance and mobile money services ($n = 66$). The reason for doing stratification was to make sure those different categories of service users were properly represented, so that comparisons across the groups could be more meaningful and not just accidental. After that, within each stratum, participants were chosen using convenience sampling, mainly because of their availability and whether they were willing to participate during the data collection window. Convenience sampling was seen as suitable here because there was no complete list or full sampling frame of entrepreneurs working inside the selected communities. In practice, this helped the researcher reach people who were already actively involved in entrepreneurial work and also using financial services in the study locations.

On the qualitative side, purposive sampling was used to pick participants who had direct, personal experience with entrepreneurship, microfinance services, and the mobile money platforms. The idea was that this would bring in information rich participants who could offer deeper and more relevant explanations about the opportunities as well as the constraints tied to financial inclusion and entrepreneurial growth. The final selection mostly followed how closely a participant’s experience matched the study aims, especially their hands-on involvement with financial services in low-income entrepreneurial contexts.

3.4.2. Sample Size

The study sample consisted of **209 quantitative respondents and 100 qualitative interview participants**, resulting in a total sample of 309 respondents.

Component	Sample Size
Quantitative survey	209
Qualitative interviews	100
Total	309

The sample size was considered sufficient for regression analysis and thematic saturation in qualitative research.

3.5. Data Collection Methods

Primary data were collected from entrepreneurs working in micro, small and medium-sized enterprises, within the chosen study areas. The whole process ran between March and April 2026, and it was done using a structured questionnaire together with a semi-structured interview guide. For the quantitative part, data were collected through face-to-face researcher assisted questionnaires, which were given to 209 respondents. This method was selected so it could fit the different reading abilities among participants and to help improve the response rates. Respondents were met at their business premises, in market locations, and at trading centres also. Before the questionnaire started, the researcher described the aim of the study, reassured them about confidentiality and anonymity, then got informed consent. The questionnaire had mostly closed-ended questions, scored on a five-point Likert scale, from 1 = Strongly Disagree to 5 = Strongly Agree. For the qualitative side, semi-structured interviews were held with 100 participants. The interviews happened in person, guided by an interview outline that was meant to probe participants’ lived experiences with microfinance services, how they use mobile money, their financial inclusion difficulties,

and matters related to entrepreneurship growth. Each discussion took about 20 to 30 minutes. With participant's permission, the interviews were audio recorded and also supported with field notes. After that, recordings were transcribed verbatim, then used for thematic analysis. Using both quantitative and qualitative methods gave methodological triangulation, and it added some extra depth, plus more credibility to the study findings.

3.6. Quantitative Data Collection

The quantitative data were collected using a standardized questionnaire distributed among 209 entrepreneurs of MSMEs located in selected low-income areas in The Gambia. The questionnaire was designed with the aim of collecting the data required for the purpose of the research. It is based on the theoretical and empirical literature on financial inclusion, microfinance, mobile money and entrepreneurial development. The survey tool included six major constructs: Access to Microfinance, Mobile Money Utilization, Entrepreneurship Performance, Synergy between Mobile Money and Microfinance Services, Barriers to Financial Inclusion and Policy Measures. Each of the above mentioned constructs was measured by means of several items from questionnaires. These items were taken from other research but modified for the purposes of Gambian research. Respondents were supposed to express the extent of their agreement with a set of items using a five-point Likert scale from 1 = Strongly Disagree to 5 = Strongly Agree. The Access to Microfinance construct included the assessment of respondent's opinion about access to microfinance services, loans affordability, loan repayments conditions and training services. Frequency and Amount of Mobile Money Used in Business-Based Financial Transactions measured the usage, by entrepreneurs, of mobile money, as well as how frequently mobile money is used in business or in connection with business Financial Transactions. Entrepreneurial Performance reflects the perceived improvements made in the business, such as increased revenue and profits. Synergy is the degree to which respondents believe that Mobile Money Services can be integrated and complement Micro Finance Institutions. The Barriers to Financial Inclusion construct includes a number of barriers that limit the use of financial services, including high interest rates, low levels of digital literacy, lack of network connectivity, lack of trust, and regulatory issues. The Policy Support construct assesses respondents' opinions about the actions taken by Government and support mechanisms provided by institutions to advance entrepreneurship and small business development. Standardized items were used to develop the questionnaires, which provided us with comparable quantitative responses (data) for subsequent descriptive and inferential analysis. Composite indices were created for use in correlations and regressions based on the survey results.

3.7. Qualitative Data Collection

The qualitative data was obtained from 100 entrepreneurs and users of financial services from the selected study areas using semi-structured interviews. Interviews were carried out in order to obtain a thorough understanding of the experiences of the respondents with respect to MFIs and mobile money providers as well as to research aspects that were not well captured by the questionnaire. The topics covered by the interview schedule included: experiences with respect to accessing microfinance services; mobile money transactions; limitations of finances in conducting business; perceived limitations and risks of using digital financial services; and institutional/policy support for entrepreneurship. Semi-structured interviews were used in order to ensure uniformity among interviews but also allowing room for participants to freely discuss aspects of their own choice regarding their entrepreneurial activities. The reason for using this approach was that it helped to further examine individual perspectives and obtain more contextual information on the possibilities and challenges of financial inclusion in The Gambia.

Each of the study participants provided informed consent to complete their interviews, and recordings were made with the participants' permission (when it was given). All the recordings were transcribed verbatim (word for word) so that they were as accurate as possible in terms of data collection. The original record of the interviews was transcribed and entered into the thematic analysis program, where qualitative analyses were performed that allowed themes and patterns across interviews to be systematically coded and analyzed. The research explored how the participants view the impacts of microfinance and mobile money services on developing entrepreneurship, the challenges they face in accessing these services, and what institutional issues are affecting their performance. The results of the thematic analysis were used to complement the results from the quantitative study to help provide an overall picture of the connections between financial inclusion and entrepreneurship development in The Gambia.

3.8. Measurement of Variables

All the variables employed in this study have been operationalized through composite indexes formed using many questions in Likert scales consisting of five points, from 1 (strongly disagree) to 5 (strongly agree). This approach has been chosen to account for multi-dimensional nature of the dimensions investigated in this research and follow the empirical conventions employed in studies dealing with the issues of financial inclusion and entrepreneurship (Davis, 1989; Rogers, 2003; Sharma et al., 2023). The performance of entrepreneurship has been considered as the dependent variable which has been operationalized as the composite index created on the basis of the changes in revenues, profits and overall growth reported by respondents. The total performance score has been computed as the average response

of each respondent to the set of questions. Consequently, all the indicators have been assigned equal weights in the overall composite, as commonly done in entrepreneurship studies (Wiklund & Shepherd, 2003). This index represents the perception of financial success rather than actual financial success, which is justified by the fact that survey data is the raw material used here. The same applies to the Microfinance Access, which was defined as a composite index based on such factors as access to microfinance services, affordability of credit, repayment terms, and participation in financial education programs provided by microfinance institutions. In order to achieve consistency of dimensions of financial access, means of all indicators were calculated for each individual and then used to obtain the final score. This definition corresponds to the theory of financial inclusion, in which access to financial services is seen as availability and effective use of financial services (Akinyemi & Mushunje, 2020; Ifediora et al., 2022). As for the variable of Mobile Money Usage, it was assessed in relation to frequency of use, convenience of transactions, and business-related aspects. In a similar fashion, all indicators were summarized by means of calculation of means. Creation of this variable was grounded on the TAM theory, which suggests that perceptions of usefulness and ease of use are the main drivers of technology adoption and continued usage (Davis, 1989; Kelly & Palaniappan, 2023). The combination of microfinance and mobile money was quantified using a composite index that captures the degree to which respondents perceive that the microfinance organizations and mobile money were combining to improve financial transaction processes of lending and repaying. A higher value on the index indicates higher complementarity of the two financial platforms. The index was created by averaging the answers given to the questions used as indicators to enable comparison between the respondents. Barriers to business were analysed through items about interest rates level, digital illiteracy constraints, lack of good network, bureaucracy and trust issues. All these barriers were combined through mean scores into one index with higher mean scores representing many barriers. This operationalization is consistent with wider literature on digital financial inclusion that highlights structural and infrastructural barriers as an important factor in the differential adoption of financial technologies (Aron, 2018; Osabutey & Jackson, 2024). Policy Support index was developed as a composite measure that captured the perception of the respondents regarding the government's support to the SMEs in the form of programmes, financial and regulatory assistance. The index is calculated as an average of the specific components of the Likert scale. This index represents the institutional component of the entrepreneurial ecosystem based on the principles of Entrepreneurial Ecosystem Theory that emphasizes the significance of public policies and institutions in generating entrepreneurial results (Isenberg, 2010; Stam, 2015). The Cronbach's alpha coefficients for each index were estimated to check for reliability and internal consistency of all constructed indexes. All constructs were higher than the threshold value of 0.70 indicating high levels of internal consistency and ensuring

the reliability of the measurement model (see Table 6). This means that all items in each construct measured the same concept and could be aggregated in the form of a composite index. Thus, this measurement technique provided methodological clarity, increased the validity of concepts and made it possible to generate reliable indexes that can be used in further analysis.

3.8.1. Dependent Variable: Entrepreneurial Performance (EP)

Entrepreneurial Performance (EP) was considered as a composite variable based on the important features of entrepreneurial performance such as revenue performance, profit performance and business growth. The above indicators were used in different questions with a response ranging from one to five concerning the extent of business performance improvement according to the statements made by the respondent. Unlike the econometric analysis where every indicator was used independently, this study created an aggregate index in order to measure the overall performance of the business in a more efficient way. The Entrepreneurial Performance index is measured as an arithmetic mean of the above three indicators that means equal importance was given to each dimension. Formally, the index can be calculated as follows:

$$EP = \frac{\text{Revenue} + \text{Profit} + \text{Growth}}{3}$$

Such an approach to index development is extensively utilized in the fields of entrepreneurship and management, especially in the cases when the construct of performance is viewed as a multidimensional one, and therefore cannot be fully captured with one indicator. In many cases, answers to the questions developed in the Likert scale format are averaged while taking into account the ordinal nature of the responses, yet at the same time making it possible to use the aggregate measure as a continuous variable for regression analysis. It is consistent with the classic empirical approach employed in entrepreneurship research, as, for instance, in Wiklund & Shepherd (2003).

3.8.1.1. Independent Variables

In the study, the independent variables were constructed through composite indices from structured questionnaire items using a five-point Likert scale. The independent variables were operationalised through extant literature related to financial inclusion, adoption of mobile money and entrepreneurial development. All variables were operationalised by averaging the score for items to ensure consistency across variables. In quantitative social sciences, many indicators are commonly used to represent one latent variable.

(a) Microfinance Access (MF)

Microfinance Access was operationalised using six Likert scale items representing the degree to which the respondent accesses and uses micro-finance services. The parameters include access to microfinance loans, cost of financial services, repayment conditions, access to financial training and support, ease of accessing financial services and responsiveness of micro finance organisations. The items were all scaled using the five-point Likert scale and the composite Microfinance Access index was calculated as the arithmetic average of the six items. The higher the score, the greater the access to micro-finance services.

(b) Mobile Money Usage (MM)

Mobile Money Usage was operationalised through two indicators representing the intensity and utility of mobile financial services – frequency of mobile money transactions and perceived ease of carrying out transactions. All indicators were measured on a five-point Likert scale and the final Mobile Money Usage index was the arithmetic average of the two indicators, with equal weighting of both indicators.

(c) Synergy (SY)

In order to estimate the degree of integration and complementarity of microfinance services and mobile money systems for fostering entrepreneurial activities, the SY variable was defined. The assessment was carried out by means of three Likert-scale questions regarding the degree of integration of microfinance institutions and mobile money services, joint usage of both financial services by business companies and the perception of complementarity of the two financial systems. The Synergy index was calculated as an arithmetic average of three factors, with the higher values denoting the higher degree of integration and joint usage of microfinance and mobile money services.

(d) Barriers (B)

The Barriers variable referred to the barriers which could potentially prevent entrepreneurs from accessing financial services and developing their businesses. This aspect was analysed by means of five indicators – high interest rates, poor digital literacy, network and connectivity issues, distrust in financial systems and regulatory barriers. All the indicators were rated according to the five-point Likert scale. The Barriers Index was computed as an arithmetic average of scores for all five items. The higher score of the indicator denotes the higher level of barriers.

(e) Policy Support (PS)

Policy Support (PS) was considered to gauge the perception of the respondents concerning the level of support given by the government and institutions towards fostering entrepreneurship and financial inclusion. It was gauged using three Likert scale items that measured government support to SMEs, effectiveness of financial inclusion activities and availability of institutions that support entrepreneurship. Policy Support was calculated as the average score of the three variables and the higher the value, the more supportive was the policy and institutions towards entrepreneurship.

3.9. Reliability and Validity of Instruments

3.9.1. Reliability

The reliability of the measurement instrument was assessed using Cronbach's Alpha coefficient which was used to test the consistency of the multi-item constructs. All variables in the study showed good reliability since they were above the criterion of 0.70 commonly used in the social sciences. This means that the items used to measure each variable were adequately consistent. As per the results, the Cronbach's Alpha coefficients for Microfinance Access, Mobile Money Usage, Entrepreneurial Performance, Synergy, Barriers and Policy Support were 0.87, 0.84, 0.85, 0.88, 0.86 and 0.83 respectively. These results indicate that all the constructs included in the study show high internal consistency and hence are reliable enough for correlation and regression modelling.

3.9.2. Validity

The research instrument was developed to be valid mainly through the technique of content validity. This was achieved through an assessment process involving expert reviews whereby the questionnaire items were checked for clarity, relevance and appropriateness in the measure of the proposed dimensions. Further, the development of the instrument was guided by comprehensive theoretical alignment with the existing empirical literature concerning financial inclusion, mobile money usage and entrepreneurship. Items included in the instrument were also based on various theoretical frameworks like Technology Acceptance Model (TAM), Financial Inclusion Theory and Entrepreneurial Ecosystem Theory. Thus the theoretical consistency ensured adequate reflectiveness of the measuring scales for the proposed constructs.

3.10. Data Analysis Techniques

The data obtained from the current study were analysed by applying descriptive statistics, correlation and multiple linear regressions. Such approaches were chosen as sufficient enough to reveal correlations between microfinance accessibility, mobile money use, synergies, obstacles and entrepreneurial

performance. All quantitative analyses were carried out by means of the Statistical Package for Social Sciences (SPSS). This tool made it possible to systematically analyse the data by categorizing them, calculating values and estimating models. At first, descriptive statistics were applied to obtain information about features of the data set and provide general description of distributions of the study variables. It included such indicators as central tendency and dispersion which reflected the view of the respondents on access to microfinance services, mobile money usage and entrepreneurial performance. Next, the relationship between the main variables was studied via Pearson correlation analysis after performing the above-mentioned analysis. The given stage was important for determining preliminary relations between the factors and entrepreneurial performance in order to make multivariate analysis. Finally, multiple linear regression analysis was applied to reveal the impact of microfinance access, mobile money usage, synergies of the financial system and barriers to financial inclusion on entrepreneurial performance both as a whole and separately.

3.11. Empirical Model Specification and Analytical Procedures

Empirical analysis for this study has been done using a multiple linear regression framework. This has been done in order to assess the relationship between financial inclusion tools and entrepreneurial performance of MSMEs in The Gambia. Entrepreneurial performance has been explained using a combination of microfinance access, mobile money access, synergy between financial systems, barriers to financial inclusion, and policy support. The regression equation is as follows:

$$EP = \beta_0 + \beta_1MF + \beta_2MM + \beta_3SY + \beta_4B + \beta_5PS + \varepsilon$$

Where EP = Entrepreneurial performance MF = Microfinance access MM = Mobile money usage SY = Synergy between microfinance and mobile money systems B = Barriers to financial inclusion PS = Policy support β_0 = Constant term $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Coefficients of explanatory variables ε = Error term representing the impact of unobservable factors on entrepreneurial performance. The dependent variable, entrepreneurial performance, was operationalized as an index composed of several Likert-type questions on growth in revenues, improvement in profits and business development. The abovementioned dimensions were then integrated into an index of performance by computing the average value of the questions so that all dimensions have equal weights when constructing the final index. The internal consistency reliability of the performance index was assessed by means of Cronbach's Alpha before aggregation, thus making it possible to form a composite index of performance from the questions. All independent variables were also created as composite indices derived from several Likert-type questions in a survey. Microfinance accessibility was measured by means of variables such as accessibility,

affordability, training and repayment conditions, while mobile money usage was captured by frequency of usage and convenience of transactions. Synergy, in particular, was operationalized based on the extent of integration and complementarity among microfinance institutions and mobile money services. The barriers were measured based on the variables that were related to the interest rates, digital literacy levels, network availability and regulatory constraints. The policy support was measured based on the perception of the involvement of the government in assisting the small and medium-sized enterprises in becoming financially inclusive. The first stage involved the use of the descriptive statistical analysis (mean, standard deviation, minimum and maximum) to present a summary of the distribution and central tendency of all the variables involved in the study. It helped to provide an overall view of the data and helped identify any irregularities in the answers. The second stage involved the Pearson correlation analysis that was conducted to examine the nature and strength of the correlations between the variables studied, especially the relationships between the entrepreneurial performance and the explanatory variables. This method made it possible to analyse all the predictors simultaneously while taking into account the interrelationships between the variables, which made it possible to get a more reliable insight into the influence of each predictor and the combination of predictors on entrepreneurship outcomes. The results obtained from these studies will be presented in the next empirical chapter using standard statistical reporting methods.

3.12. Ethical Considerations

The research was carried out in compliance with the established ethical standards. All the subjects were given detailed information about the purpose of the research, the essence of participation and the use of the data. All the subjects gave informed consent prior to data collection and participated in the research voluntarily. The confidentiality and anonymity of the subjects were guaranteed, and there was no personal information collected. Participation in the research is completely voluntary and can be terminated by the participants at any time. The collected data is stored confidentially and will be used exclusively for scientific purposes.

CHAPTER FOUR: RESULTS AND FINDINGS

Data Description

This chapter provides an analysis of the results of the research, using the quantitative data gathered from 209 respondents and qualitative data obtained from 100 people living in poor areas of The Gambia – Kanifing Municipality, Serekunda, Brikama and Brufut. Quantitative data analysis starts with the analysis of the results in terms of descriptive statistics, reliability analysis, correlation analysis, and regression analysis. Then the qualitative results are provided in the form of thematic analysis of experiences of respondents related to microfinance, mobile money use, entrepreneurship problems and policy issues.

4.1. Quantitative Findings

Table 1. Response Rate

<i>Item</i>	<i>Value</i>
<i>Target Sample Size</i>	<i>209</i>
<i>Valid Responses</i>	<i>209</i>
<i>Response Rate</i>	<i>100%</i>

Source: Data collected by the author (2026).

The total number of distributed questionnaires was 209. These were all answered and submitted, thus giving us a 100% response rate. No questionnaires were excluded for any reasons whatsoever because of their answers. Statistical analysis was carried out on the entire group of 209 people.

4.1.1. Demographic Characteristics of Respondents

Table 2. Demographic Characteristics of Respondents

<i>Variable</i>	<i>Category</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Gender</i>	<i>Male</i>	<i>112</i>	<i>53.60%</i>
<i>Gender</i>	<i>Female</i>	<i>95</i>	<i>45.50%</i>
<i>Age Group</i>	<i>18–60 years</i>	<i>Mixed Distribution</i>	<i>-</i>
<i>Education</i>	<i>Primary–University</i>	<i>Mixed Distribution</i>	<i>-</i>

<i>Business Type</i>	<i>Small–Medium Enterprises</i>	<i>Mixed Distribution</i>	<i>-</i>
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Source: Data collected by the author (2026).

According to the demographic analysis, there were 112 (53.6%) male and 95 (45.5%) female respondents among those participating in the survey, providing a quite balanced gender ratio. The participants involved in the survey were conducting their entrepreneurial activities in the form of micro, small and medium-sized enterprises in the areas of trading, services and informal economic activity in selected communities.

4.1.2. Reliability Analysis

Table 3. Reliability Statistics

<i>Variable</i>	<i>Number of Items</i>	<i>Cronbach's Alpha</i>
<i>Microfinance Access</i>	<i>6</i>	<i>0.87</i>
<i>Mobile Money Usage</i>	<i>2</i>	<i>0.84</i>
<i>Entrepreneurial Performance</i>	<i>2</i>	<i>0.85</i>
<i>Synergy</i>	<i>3</i>	<i>0.88</i>
<i>Barriers</i>	<i>5</i>	<i>0.86</i>
<i>Policy Support</i>	<i>3</i>	<i>0.83</i>

Source: Data collected by the author (2026).

As per the reliability statistics, all the constructs have managed to record reliability coefficients greater than the cut-off point of 0.70, implying that all measurement scales have adequate internal consistencies. Reliability coefficients for Microfinance Access, Mobile Money Usage, Entrepreneurial Performance, Synergy, Barriers, and Policy Support are 0.87, 0.84, 0.85, 0.88, 0.86, and 0.83 respectively, which all reflect high levels of reliability and thus are ready for any further statistical analysis. The construct with the highest reliability coefficient is Synergy (0.88) whereas Policy Support has the lowest reliability coefficient (0.83). Both of these constructs can still be considered reliable.

4.1.3. Descriptive Statistics of Study Variables

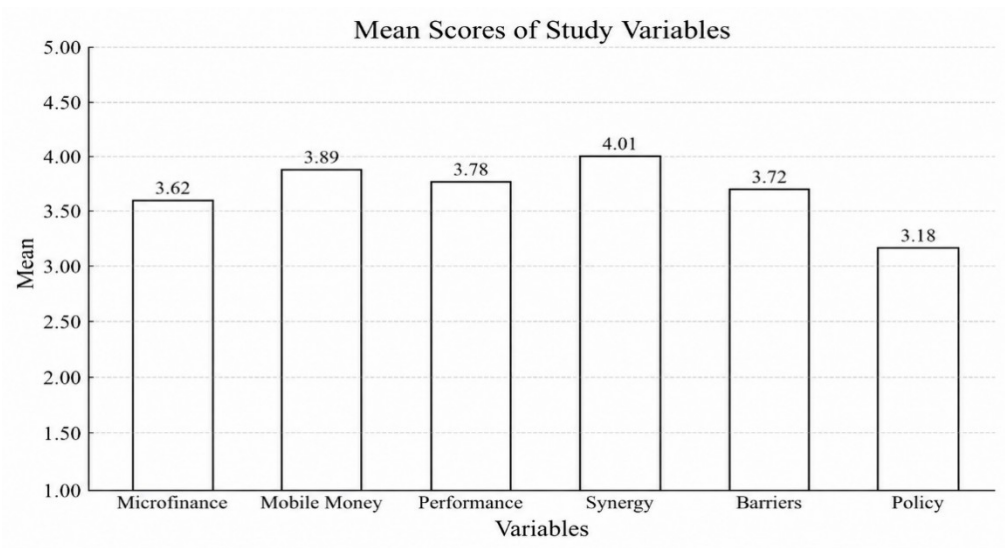
Table 4. Descriptive Statistics

Variable	Mean	Standard Deviation	Min	Max
Microfinance Index	3.62	0.91	1.00	5.00
Mobile Money Index	3.89	0.83	1.00	5.00
Performance Index	3.78	0.87	1.00	5.00
Synergy Index	4.01	0.76	1.00	5.00
Barriers Index	3.72	0.94	1.00	5.00
Policy Index	3.18	1.05	1.00	5.00

Source: Data collected by the author (2026).

The descriptive statistics show that the means of all variables under study exceeded the midpoint of the five-point Likert scale (3.0), meaning that the attitudes towards financial inclusion and entrepreneurial performance were positively perceived. The variable with the highest mean value was synergy ($M = 4.01$, $SD = 0.76$), meaning that the complementary nature of the use of microfinance services and mobile money for entrepreneurship is positively perceived. The low standard deviation means high agreement among respondents. Then goes Mobile Money Usage ($M = 3.89$, $SD = 0.83$) and Entrepreneurial Performance ($M = 3.78$, $SD = 0.87$). These results show that the use of mobile money is prevalent and entrepreneurs perceive their business performance as moderate to high. Barriers to financial inclusion obtained a rather high mean value ($M = 3.72$, $SD = 0.94$), showing that there are some constraints related to finances, institutions, and technology faced by the respondents. The microfinance access variable got the moderate mean score ($M = 3.62$, $SD = 0.91$). On the other hand, Policy Support was found to have had the least mean score ($M = 3.18$, $SD = 1.05$). This indicates weaker perceptions regarding support from the government and institutions for the growth of entrepreneurship. Higher values of standard deviation imply some differences among the perceptions of policy effectiveness held by the respondents. In conclusion, the results show that though indicators of financial inclusion are fairly high, those of institutional support are lower.

Figure 1. Mean Scores of Study Variables



Source: Data collected by the author (2026).

Figure 1 provides a comparative illustration of the mean values of the important study variables, thereby illustrating differences in the perceptions of financial inclusion, constraints, and entrepreneurial achievements.

4.1.4. Correlation Analysis

Table 5. Pearson Correlation Matrix

Variables	MF	MM	SY	BR	PERF
Microfinance (MF)	1				
Mobile Money (MM)	0.64**	1			
Synergy (SY)	0.72**	0.74**	1		
Barriers (BR)	-0.49**	-0.46**	-0.52**	1	
Performance (PERF)	0.75**	0.71**	0.78**	-0.55**	1

Source: Data collected by the author (2026).

Note: * * signifies significant at 1% level ($p < 0.01$) Pearson correlation coefficients quantify the magnitude and sign of linear correlations between variables.

The findings of Pearson correlation show statistical significance for the relationship between the variables in the study. There is a positive correlation between Entrepreneurial Performance and Microfinance Access ($r = 0.75$), Mobile Money Usage ($r = 0.71$) and Synergy ($r = 0.78$), which are significant at $p < 0.01$. In addition, the barriers variable is negatively correlated with Entrepreneurial Performance ($r = -0.55$), showing that the more the barriers are present, the lower the business performance. The results demonstrate a high positive relationship between financial inclusion variables and entrepreneurship performance, while barriers in financial inclusion reduce the performance. Nevertheless, since correlation does not indicate causation, further analysis is required.

4.1.5. Regression Analysis

A multiple linear regression analysis was conducted to examine the effect of microfinance access, mobile money usage, synergy, and barriers on entrepreneurial performance.

Variable	B	Std. Error	t-value	p-value
Constant	0.58	0.22	2.64	0.009
Microfinance Access	0.28	0.05	5.40	<0.001
Mobile Money Usage	0.24	0.06	4.20	<0.001
Synergy	0.39	0.06	6.50	<0.001
Barriers	-0.31	0.06	-5.10	<0.001

Model Summary:

$R^2 = 0.72$

Adjusted $R^2 = 0.71$

F-statistic = 101.25 ($p < 0.001$)

4.1.6. Interpretation of Regression Results

The regression model is able to account for 72% of variance in entrepreneurial performance, hence it is highly effective in explaining the relationship between independent variables and dependent variable. It can be observed that all the independent variables included in the regression model are significantly important for predicting entrepreneurial performance. Synergy between microfinance and mobile money turns out to have the highest positive influence ($B = 0.39, p < 0.001$), followed by Microfinance Access ($B = 0.28, p < 0.001$) and Mobile Money Usage ($B = 0.24, p < 0.001$). Constraints of financial inclusion negatively impact entrepreneurial performance ($B = -0.31, p < 0.001$), implying that an increase in financial inclusion constraints lowers entrepreneurship performance.

4.1.7. Barriers to Entrepreneurship

Table 9. Barriers to Entrepreneurship

<i>Barrier</i>	<i>Mean</i>
<i>High Interest Rates</i>	3.96
<i>Poor Network Connectivity</i>	3.87
<i>Regulation Issues</i>	3.72
<i>Trust Issues</i>	3.55
<i>Digital Skills Limitation</i>	3.48

Source: Data collected by the author (2026).

From the findings, it is clear that all the barriers analysed have means greater than the mid-value of the scale (3.0). This clearly shows that the respondents consider all these barriers as important barriers to entrepreneurship. The barriers that came out to be very important included the high-interest rate barrier, poor network connectivity barrier, and the regulatory barrier. Other barriers mentioned were trust issues and poor digital skills, although their mean values are relatively low compared to those discussed above.

4.1.8. Policy Support

Table 10. Perceived Policy Support

<i>Item</i>	<i>Mean</i>
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Government Support for SMEs	3.18
------------------------------------	-------------

Source: Data collected by the author (2026).

Government and institutional support perceived by small and medium-sized enterprises had a mean of 3.18 out of a five-point scale. This is the lowest score amongst all study variables and hence implies that there is weaker perception of policy effectiveness compared to indicators of financial inclusion like microfinance and mobile money use. The finding indicates that the level of government and institutional support is perceived to be poor and not responding to entrepreneurs in the low income areas effectively.

4.2. Qualitative Findings

4.2.1. Overview of the Thematic Analysis

Qualitative research analysis is carried out using semi-structured interviews with 100 respondents sampled from selected low-income areas in The Gambia. Thematic analysis was used to determine the underlying issues that exist among the interviewees regarding the use of microfinance, mobile money, and the factors affecting entrepreneurship. Five major themes were revealed as: microfinance access challenges, mobile money advantages, infrastructure problems, security threats, and policy issues.

Table 11. Thematic Coding Framework

<i>Theme</i>	<i>Code</i>	<i>Description</i>
Microfinance Access Barriers	<i>M1</i>	<i>Loan restrictions, documentation requirements, collateral demands</i>
Mobile Money Benefits	<i>M2</i>	<i>Transaction efficiency and accessibility</i>
Infrastructure Challenges	<i>M3</i>	<i>Connectivity and network problems</i>
Fraud and Security Risks	<i>M4</i>	<i>Transaction errors and scams</i>
Policy and Institutional Gaps	<i>M5</i>	<i>Weak support mechanisms</i>

Source: Data collected by the author (2026).

4.2.2. Microfinance Access Barriers

The respondents indicated that the access to micro-finance services is limited by the rigid eligibility criteria, which include requirement for collateral, guarantors, and complex documentation processes. The

mentioned criteria were especially difficult to meet for informal sector businesspersons, thus preventing them from accessing the formal financial system. Generally, it can be concluded that access to micro-finance services is institutionally limited regardless of the existence of financial organizations in the research areas.

4.2.2.1.Mobile Money Benefits

The participants noted that the use of mobile money is an important instrument for conducting transactions. They pointed out such advantages as fastness, convenience, and decreased necessity to rely on cash-based operations. However, the advantages of mobile money services have mainly transactional character, since they support business transactions rather than allow for financial growth.

4.2.2.2.Infrastructure Challenges

It is evident from the answers provided that the majority of the respondent's experience infrastructure problems such as poor network connection and system failures, which affect transaction processes and the efficiency of the mobile finance systems used. It can be concluded that the weaknesses of infrastructures are one of the obstacles to the proper implementation of the discussed technology.

4.2.2.3.Fraud and Security Risks

Another issue that participants mentioned was the lack of trust towards the mobile finance systems due to the fear of being scammed through fraudulent activities. While the majority of the respondents did not have direct experience with any fraud, the existence of such concerns may influence their behaviour.

4.2.2.4. Policy and Institutional Gaps

There were some concerns about lack of government support and weak institutional framework for the development of small businesses. Though there are some policies supporting the issue in question, the respondents claim that the current initiatives are not enough to solve the existing problems.

4.2.2.5.Integration of Findings

There is definite convergence between the results obtained from both qualitative and quantitative analysis. From the quantitative findings, the use of microfinance facilities, mobile money services, and the combination thereof have been found to positively and significantly influence entrepreneurial performance, whereas obstacles negatively influence performance. These results are further corroborated by the qualitative findings where entrepreneurs are subjected to favourable as well as unfavourable factors. In general, the tools of financial inclusion increase the performance of entrepreneurs; nevertheless, their

impact is constrained by various challenges such as infrastructural limitations, financial constraints, and institutional weakness.

CHAPTER FIVE: DISCUSSION AND CONCLUSION

This chapter present the empirical findings that will be discussed in detail in relation to the research objectives, theoretical framework, and the literature regarding financial inclusion, microfinance, mobile money, and entrepreneur performance. This chapter will present both the qualitative and quantitative data to offer an interpretation of how the availability of microfinance, use of mobile money, interaction between the two and the barriers and policies affecting them affect entrepreneur performance in The Gambia.

5.1.Discussion of Key Findings

5.1.1. Microfinance Access and Entrepreneurial Performance

These results have shown a positive correlation between access to microfinance and the performance of entrepreneurs. It means that businesses which benefit from better access to loans, literacy and institutional support are more likely to grow and become profitable. This finding corresponds with McKernan (2002), who states that microfinance is an effective way of increasing income and fostering self-employment in underdeveloped areas. Moreover, according to Newman et al. (2014), microfinance positively impacts entrepreneurial success when it is supplemented with proper institutions. The qualitative findings reveal that the availability of microfinancing in The Gambia is hindered by loan conditions, collaterals and documentation. Thus, access to microfinancing is restricted, especially for entrepreneurs operating within the informal sector. This finding is consistent with the one by Endris and Kassegn (2022), who stress the importance of continuous financial constraints faced by MSMEs in Sub-Saharan Africa.

5.1.2. Mobile Money Usage and Entrepreneurial Performance

This shows a statistically significant correlation between the use of mobile money and entrepreneurial performance. The use of mobile money makes entrepreneurs' transactions more efficient and reduces the costs of operations and flexibility in finance. This is supported by the findings by Aron (2018), who refers to the use of mobile money as disruptive innovations within a financial system without well-developed traditional banking institutions. The same is true about the findings by Ahmad et al. (2020), who emphasize the ability of mobile money to reduce transaction costs and increase financial inclusion. From qualitative analysis, it is evident that entrepreneurs mainly use mobile money for their daily business operations but not for long-term planning. Yet, the problems associated with the unreliability of the system due to network failure and mistakes made during transactions make it less efficient.

5.1.3. Synergy between Microfinance and Mobile Money

The results have shown that the use of microfinance and mobile money in conjunction creates the highest positive impact on entrepreneurial performance. It suggests that the benefit of financial systems is higher in case the systems are integrated rather than separate. Such finding is consistent with the theory of entrepreneurial ecosystem (Isenberg, 2010; Stam, 2015). It states the significance of financial and institutional systems connectedness. Also, it is claimed by Sharma et al. (2023) that innovations in finance lead to better results in case of their usage in conjunction with each other. Such a synergetic effect helps entrepreneurs get credit from microfinance organizations and make payments using mobile money service at the same time. However, qualitative results show that such a connection does not exist in The Gambia as the systems work separately.

5.1.4. Barriers to Financial Inclusion and Entrepreneurship

The barriers to financial inclusion have a considerable impact on the performance of entrepreneurs. They encompass high-interest rates, lack of digital literacy, network problems, regulation problems, and lack of trust in the financial systems. This conclusion is supported by the conclusions made by Banda (2022) who claims that financial and technology barriers limit the effectiveness of the programs aimed at financial inclusion for SMEs. In addition, Osabutey and Jackson (2024) argue that the inefficiencies related to infrastructure and institutions continue to be serious issues in developing countries. As for the theory, the research findings conform to the Diffusion of Innovation Theory according to which adoption of innovations is hampered by their complexity and cost.

5.1.5. Policy Support and Institutional Environment

Table 10 shows that there is low perceived policy support compared to other variables, implying little institutional support to SMEs. The above results are consistent with Isenberg (2010) who suggests that for an efficient entrepreneurial ecosystem, strong governmental support, regulatory efficiency, and coordination among institutions are necessary. Likewise, Ogujiuba et al. (2023) argue that the weak institutional framework results in weak development of MSMEs in developing countries. The qualitative findings indicate that entrepreneurs perceive very few governmental interventions and programs for SMEs.

5.1.6. Integration of Quantitative and Qualitative Findings

The research findings exhibit clear convergence between the quantitative and qualitative findings. The use of microfinance services, mobile money services, as well as their synergies have positive impacts on entrepreneurial performances, whereas the barriers to using these technologies have negative impacts on entrepreneurial performances. The qualitative research findings explain this association through structural limitations like lack of credit, poor infrastructural development, and inadequate institutional support systems.

5.2.Theoretical Considerations

The results are in line with the Technology Acceptance Model (Davis, 1989). In particular, perceived usefulness and perceived ease of use were found to predict mobile money acceptance. Furthermore, they are in line with the Entrepreneurial Ecosystem Theory (Isenberg, 2010; Stam, 2015) that stresses the importance of the institutional, technological and financial ecosystems in explaining entrepreneurial outcomes. Furthermore, the study adds to the financial inclusion literature by finding that integrated financial systems perform better in terms of entrepreneurial success than stand-alone systems.

5.2.1. Practical and Policy Implications

There are a number of implications that can be drawn from the research results. In view of the strong synergy effect, policy makers should encourage collaboration between microfinance organizations and mobile finance networks to increase financial efficiency. Additionally, challenges such as high costs of borrowing, low levels of digital literacy, and infra-structure should be overcome by means of policy reforms and financial education. Digital infrastructure is an important area that should be strengthened to ensure reliability of mobile finance. Weak perceptions regarding policy support show the importance of having better SME development policies and institutional coordination.

5.3.Conclusion

As for the present research project, it aims to explore the way financial inclusion through microfinance, mobile money, and their complementarities contribute to entrepreneurial success in MSMEs in The Gambia. According to the results obtained in the process of this research, there exists a significant association between financial inclusion and entrepreneurial performance. In particular, it was found out that both microfinance and mobile money were positively associated with entrepreneurial performance. However, it should be noted that the most beneficial effect on business performance was made by the

combination of the two mechanisms mentioned above, which implies that more benefits can be gained through integrated financial systems than through separate financial services. Furthermore, the findings revealed in the course of this research demonstrate that the advantages of financial inclusion cannot be achieved automatically because there are a number of structural barriers such as poor infrastructure, high costs of borrowing, low levels of digital literacy, and weak institutions that make it difficult to use the potential of microfinance and mobile money to its fullest extent. The findings of this study can be attributed to the Technology Acceptance Model and Entrepreneurial Ecosystem Theory because the findings suggest that entrepreneurial performance is a product of financial, technological, and institutional variables. In addition, this study has contributed to the academic literature regarding financial inclusion by providing an empirical basis for The Gambia. Financial innovation is not enough to achieve sustainable entrepreneurial performance. Although microfinance and mobile money innovations enhance the performance of entrepreneurs, these innovations attain their maximum benefit in places where there are good institutions, good digital infrastructure, and sound government policies. Therefore, it would be necessary for policymakers to encourage more collaboration among microfinance institutions and mobile money providers as well as develop better institutional framework and business environment for MSMEs in The Gambia. However, the findings should be taken with caution because there were no control variables in the regression analysis, namely age, gender, income, education, and firm size.

5.4.Limitations of the Study

The analysis, however, is characterized by several limitations. First, the empirical specification does not contain socio-demographic variables such as age, gender, income, education, and firm size which could affect entrepreneurship performance as well. The lack of such variables was due to the lack of appropriate data. Therefore, the results obtained should be viewed with care since they partly reflect the unobserved heterogeneity among individuals and firms.

APPENDIX A

A1. Quantitative Questionnaire

Opening Page of the Google Form (Consent & Ethics Statement) Title of Survey

Microfinance, Mobile Money, and Entrepreneurship in Low-Income Communities in The Gambia. You are invited to take part in an academic research study, carried out by Aminata Ceesay, MSc Global Development and Entrepreneurship student at Ca' Foscari University of Venice. The aim of this study is to look at how microfinance services, together with mobile money applications, may help foster entrepreneurship among people in low-income communities in The Gambia. Taking part is voluntary, and in general, every reply is anonymous and kept confidential. No personal identifiers will be gathered, and the information will be applied just for academic research. There are no right or wrong answers, so please respond sincerely using your own experience. When you continue with this survey, you confirm you are at least 18 years of age, and that you agree to participate in this research. Participation is voluntary, and your responses will be anonymous and treated as confidential. No personal identifiers will be gathered, and the information will be used only for academic research reasons. There is no right, and also no wrong answers. Just respond genuinely, based on what you have experienced. Once you continue with this survey, you confirm that you are 18 years old at least, and that you agree to participate in this study.

Consent Question (Required):

☐ I have read and understood the information above and agree to participate in this study.

SECTION A: Demographic & Business Information

(Control variables for regression analysis)

1. Gender

☐ Male ☐ Female ☐ Prefer not to say

2. Age group

☐ 18–25 ☐ 26–35 ☐ 36–45 ☐ 46–55 ☐ 56+

3. Highest level of education completed

☐ No formal education ☐ Primary ☐ Secondary ☐ Vocational ☐ Tertiary

4. Location of business

☐ Urban ☐ Peri-urban ☐ Rural

5. Type of business

☐ Agriculture ☐ Trading ☐ Services ☐ Manufacturing ☐ Other

6. Years in business

☐ <1 ☐ 1–3 ☐ 4–6 ☐ >6

SECTION B: Microfinance Services (Addresses Objective 1 | Research Question 1) Independent Variable

1

7. I have access to microfinance services in my community

A. Strongly Disagree

B. Disagree

C. Neutral

D. Agree

E. Strongly Agree

8. Microfinance loans are affordable for my business

A. Strongly Disagree

B. Disagree

C. Neutral

D. Agree

E. Strongly Agree

9. The loan application process is simple and transparent

A. Strongly Disagree

B. Disagree

C. Neutral

- D. Agree
 - E. Strongly Agree
10. Repayment terms offered by MFIs are flexible
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree
11. Microfinance institutions provide useful business training or advisory services
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree
12. Microfinance services have improved my ability to start or expand my business
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree

→ These items form a Microfinance Access & Impact Index

SECTION C: Mobile Money Applications (Addresses Objective 2 | Research Question 2) Independent Variable 2

13. I regularly use mobile money for business transactions

- A. Strongly Disagree
- B. Disagree
- C. Neutral
- D. Agree
- E. Strongly Agree

14. Mobile money improves my access to financial services

- A. Strongly Disagree
- B. Disagree
- C. Neutral
- D. Agree
- E. Strongly Agree

→ These items form a Mobile Money Utilization Index SECTION D: Entrepreneurship Outcomes (Dependent Variables)

(Addresses Objective 1 & 2)

15. My business revenue has increased over the past two year

- A. Strongly Disagree
- B. Disagree
- C. Neutral
- D. Agree

- E. Strongly Agree
- 16. My business profits have improved
- A. Strongly Disagree
- B. Disagree
- C. Neutral
- D. Agree
- E. Strongly Agree

→ These items form an Entrepreneurial Performance Index SECTION E: Synergy Between Microfinance & Mobile Money (Addresses Objective 3 | Research Question 3)

- 17. Microfinance institutions encourage the use of mobile money services
- A. Strongly Disagree
- B. Disagree
- C. Neutral
- D. Agree
- E. Strongly Agree
- 18. I use mobile money to repay microfinance loans
- A. Strongly Disagree
- B. Disagree C. Neutral
- D. Agree
- E. Strongly Agree
- 19. The integration of microfinance and mobile money saves me time and costs
- A. Strongly Disagree
- B. Disagree
- C. Neutral

- D. Agree
 - E. Strongly Agree
20. Using both microfinance and mobile money together improves my business performance
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree

→ This directly measures synergistic effects SECTION F: Challenges & Barriers (Addresses Objective 4 | Research Question 4)

21. High interest rates limit my ability to grow my business
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree
22. Limited digital skills make it difficult to use mobile money services
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree
23. Poor network coverage affects my use of mobile money
- A. Strongly Disagree

B. Disagree

C. Neutral

D. Agree

E. Strongly Agree

24. Regulatory requirements make it difficult to access financial services

A. Strongly Disagree

B. Disagree

C. Neutral

D. Agree

E. Strongly Agree

25. Lack of trust in financial institutions affects my use of their services

A. Strongly Disagree

B. Disagree

C. Neutral

D. Agree

E. Strongly Agree

→ Barrier Severity Index (can be reversed or modeled separately) SECTION G: Policy & Strategic Recommendations (Addresses Objective 5)

26. Government policies adequately support small entrepreneurs

A. Strongly Disagree

B. Disagree

C. Neutral

D. Agree

E. Strongly Agree

27. More collaboration between MFIs and mobile money providers is needed
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree
28. I would recommend microfinance and mobile money services to other entrepreneurs
- A. Strongly Disagree
 - B. Disagree
 - C. Neutral
 - D. Agree
 - E. Strongly Agree

A2. GUIDE FOR QUALITATIVE INTERVIEWS

(Semi-Structured Approach – Mixed Methods Component)

The questions below are not tied to a Likert scale, they are more about explaining, validating, and substantiating the survey findings, in a steadier way.

Section 1 of Interview: Background Information

- 1. Could you share a bit about your business, and how it began?
- 2. What financial obstacles did you run into during the early stages, like right at the start?

Section 2 of Interview: Microfinance Services

(Research Question 1)

- 3. In your view how have microfinance services supported your capacity to start or expand your business?

4. Which parts of microfinance services felt the most useful for you, in practical terms?
5. Did you face any challenges when you were dealing with microfinance organizations, and if yes how so?

Section 3 of Interview: Mobile Money

(Research Question 2)

6. How are you using mobile money services while running your day to day business activities?
7. In what manner have mobile money services influenced how you organize and oversee your finances?
8. Do you have any difficulties in using mobile money services?

Section 4 of Interview: Synergy and Integration

(Research Question 3)

9. Do you think that there is a synergy between microfinance institutions and mobile money services?
 10. How can they be more effectively integrated to benefit entrepreneurs?
- Interview Section 5 :
Barriers and Solutions

Interview Section 5: Barriers & Solutions

(Research Question 4 & 5)

11. What are the main barriers stopping entrepreneurs from fully benefiting from these financial services, like what gets in the way really?
12. What kind of support do you think entrepreneurs in low-income communities need the most, right now?

Interview Section 6: Recommendations and Reflection

13. What recommendations would you give to policymakers, or to financial institutions. maybe both?
14. If these services were improved, how would that effect your business, and then your community too?

SECTION A: QUANTITATIVE FINDINGS (n = 209)

TABLE A1: Measurement of Variables

Variable	Indicators	Measurement Scale
Microfinance Access	Access, affordability, training, repayment terms	5-point Likert scale
Mobile Money Usage	Usage frequency, financial access, repayments	5-point Likert scale
Entrepreneurial Performance	Revenue, profit improvement, business development (growth)	5-point Likert scale
Synergy	Integration between MFIs and mobile money	5-point Likert scale
Barriers	Interest rate, digital skills, trust, network, regulation	5-point Likert scale
Policy Support	Government support for SMEs	5-point Likert scale

TABLE A2: Sample Size and Response Rate

Item	Value
Target Sample Size	209
Valid Responses	209
Response Rate	100%

TABLE A3: Reliability Analysis (Cronbach's Alpha)

Variable	Items	Cronbach's Alpha
Microfinance Access	6	0.87
Mobile Money Usage	2	0.84

Entrepreneurial Performance	2	0.85
Synergy	3	0.88
Barriers	5	0.86
Policy Support	3	0.83

TABLE A7: Descriptive Statistics of Study Variables

Variable	Mean	Std Dev	Min	Max
Microfinance Access	3.62	0.91	1.00	5.00
Mobile Money Usage	3.89	0.83	1.00	5.00
Entrepreneurial Performance	3.78	0.87	1.00	5.00
Synergy	4.01	0.76	1.00	5.00
Barriers	3.72	0.94	1.00	5.00
Policy Support	3.18	1.05	1.00	5.00

TABLE A8: Pearson Correlation Matrix

Variables	MF	MM	SY	BR	PERF
Micro-finance (MF)	1				
Mobile Money (MM)	0.64**	1			

Synergy (SY)	0.72**	0.74**	1		
Barriers (BR)	-0.49**	-0.46**	-0.52**	1	
Performance (PERF)	0.75**	0.71**	0.78**	-0.55**	1

TABLE A9: Regression Coefficients

Variable	B	Std Error	Beta	t	Sig
Constant	0.58	0.22	—	2.64	0.009
Micro-finance Access	0.28	0.05	0.30	5.40	<0.001
Mobile Money Usage	0.24	0.06	0.27	4.20	<0.001
Synergy	0.39	0.06	0.41	6.50	<0.001
Barriers	-0.31	0.06	-0.34	-5.10	<0.001

TABLE A10: Barriers to Entrepreneurship

Barrier	Mean
High Interest Rates	3.96
Digital Skills Limitation	3.48
Poor Network Connectivity	3.87
Regulation Issues	3.72
Trust Issues	3.55

TABLE A11: Policy Support

Item	Mean
Government SME Support	3.18

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