

Payment system options for Daya users: mobile or postal money?

Reaching new horizons for female craft artisans in Tunisia





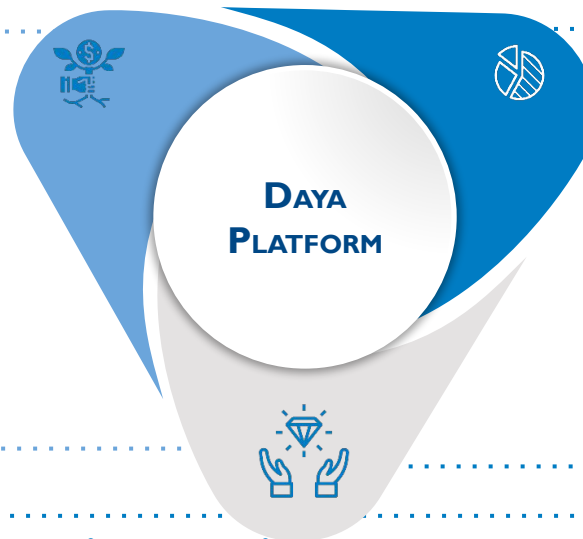
1 Daya Platform

- 2 Payment Solutions and Outcomes
- 3 Research Methodology
- 4 Baseline Characteristics
- 5 Timeline



Create international market access for rural women

- Expect 9000+ female artisans to register on the marketplace in 5 years



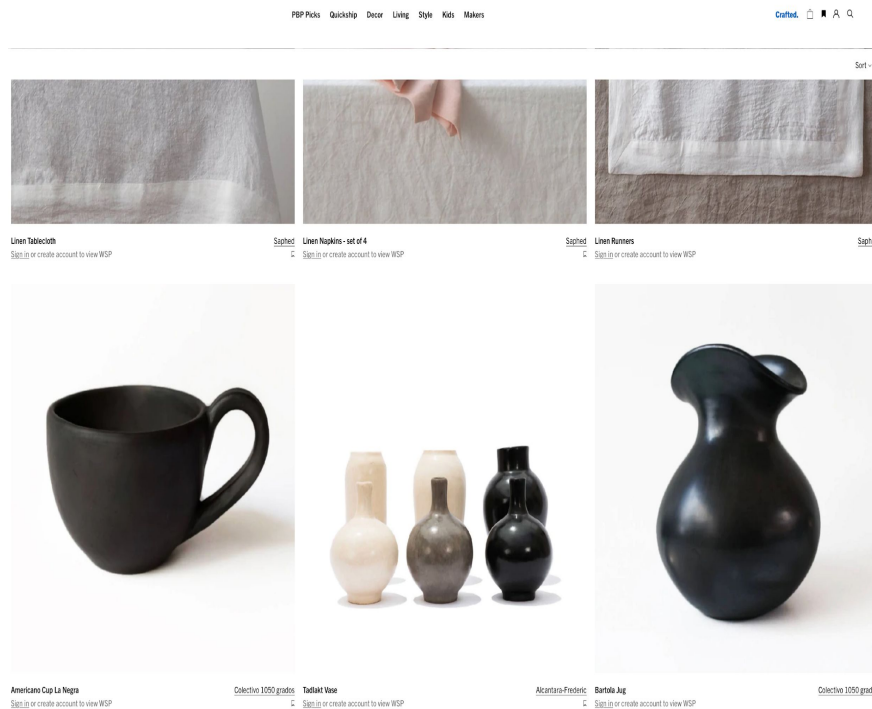
A tool to run a business

- Provide sales support
- Increasing export capacity
- Facilitating banking solutions

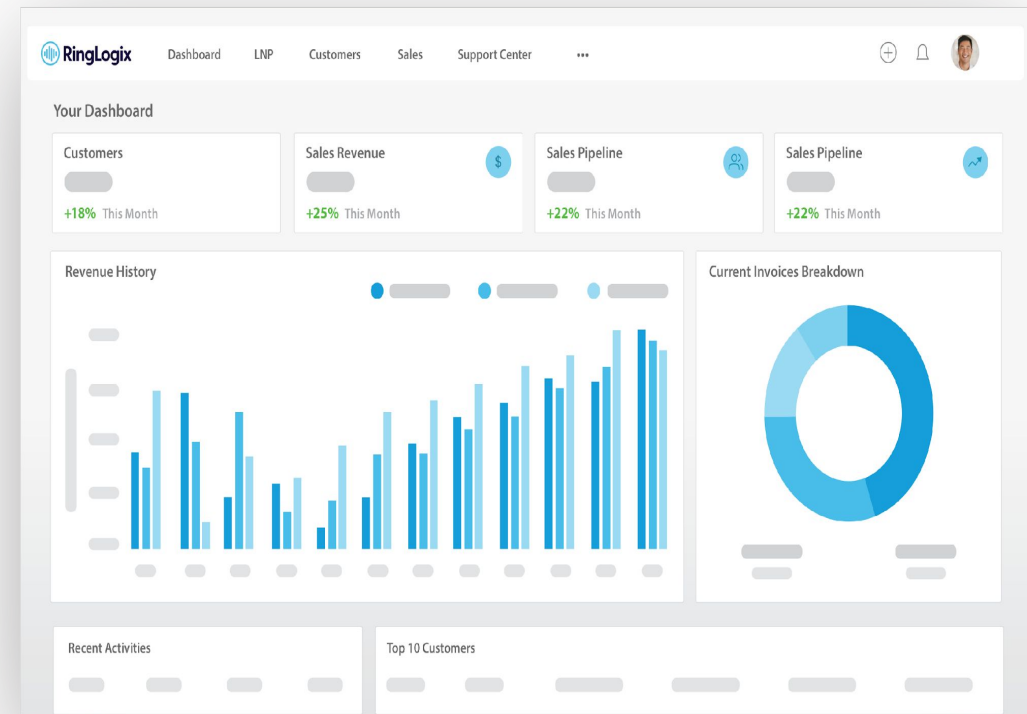
Provide high quality and curated crafts to European consumers

- Through retail shop partners (B2B)

Snapshot of Daya's homepage



Dashboard for rural female artisans



Daya offers entrepreneurial opportunities for Tunisian women...



Tunisia women
constitute **49.9%** of
the population



But they account for
only **13%** of total
entrepreneurs (Drine
& Grach, 2012)



The craft sector
accounts for **7.2%**
of the country's
GDP (UNIDO,
2015).





1/4 of these women
are involved in the
craft sector (Laffineur
et al., 2018)

Tunisia has a legacy of 'state feminism' but women remain outside of the sphere of economic participation (Moghadam, 2019) - they face challenges in accessing information, markets, and financial services (OECD, 2020).



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...however it can only offer two payment solutions for rural female artisans to collect their earnings

Payment solution	Pro	Cons
<i>Treatment</i>		
<div>1</div>  <div>Mobile money</div>	<ul style="list-style-type: none"> All registered suppliers must have a cellphone to register Smartphone penetration is approximately at 85% 	<ul style="list-style-type: none"> Needs the user to have a registered sim card with one of the providers
<div>2</div>  <div>e-Dinar (post money)</div>	<ul style="list-style-type: none"> 6m postal financial accounts, one of the highest ratios in the world 	<ul style="list-style-type: none"> Access to the postal office Of 1,030 branches only 600 are connected

Our Research Question:

Which payment solution (Post Money or Mobile Money) has a greater positive effect on women's empowerment (WE)?



How does mobile money solve a market failure and lead to more empowerment?

Failure

By law, the only entities that can accept deposits are banks and the Post Office. In rural areas, bank penetration is 22%

Solution

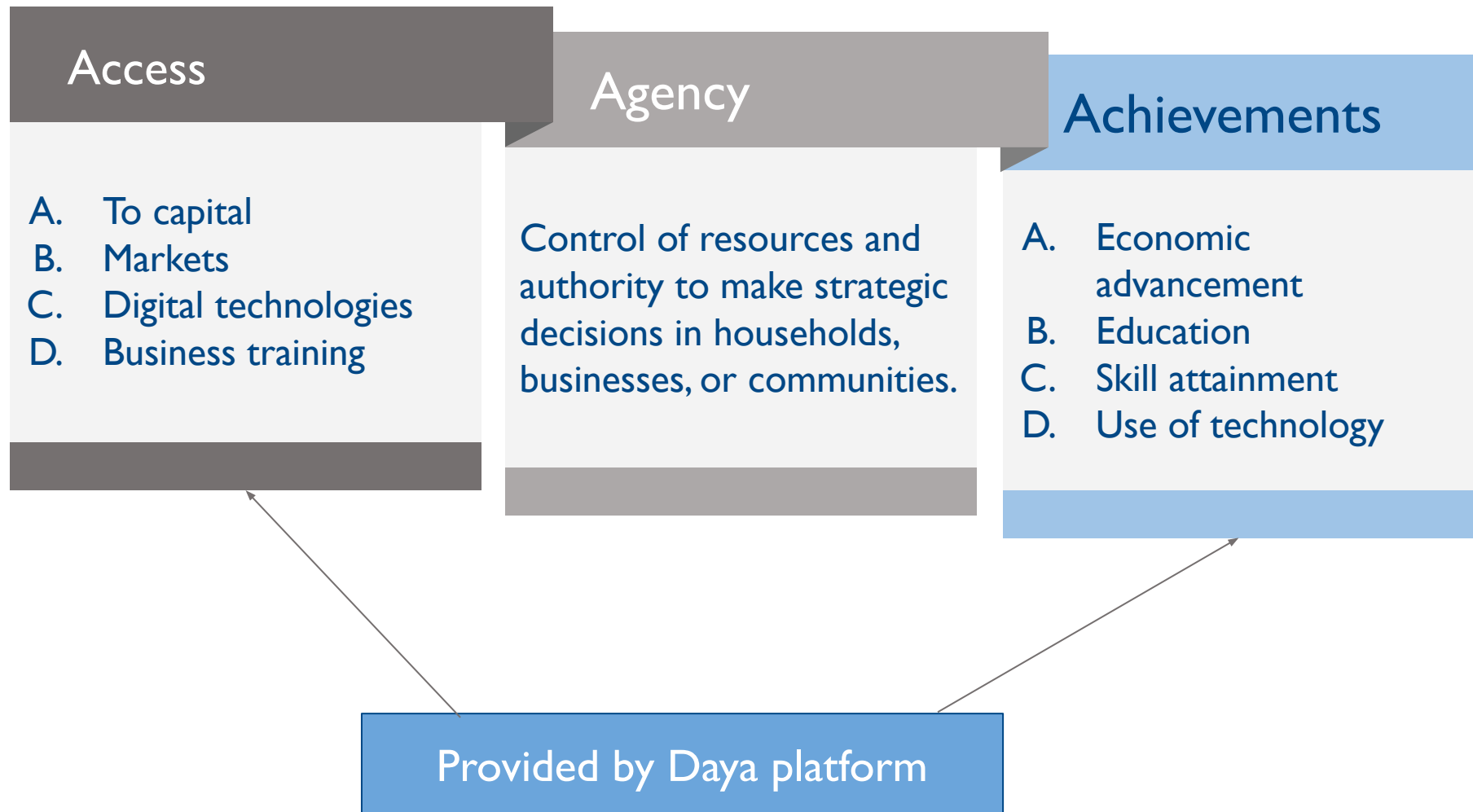
Mobile money is a convenient way to cash in or cash out as most Post offices are not connected

Long-term Goal

Empowerment of Daya Users



The Women Empowerment (WE) framework used:





Measuring Agency through a Survey:

Individual

- A. Has the business become easier for you?
- B. Are you less stressed about money?
- C. How many hours you spend on your own leisure?

Family

- A. How many hours do you spend with your family per week?
- B. How much money have you spent in family in the last four weeks?

Business

- A. How many hours do you spend in your business per week?
- B. How much money have you invested in the business in the last four weeks?



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Data Collection

Two different sources:

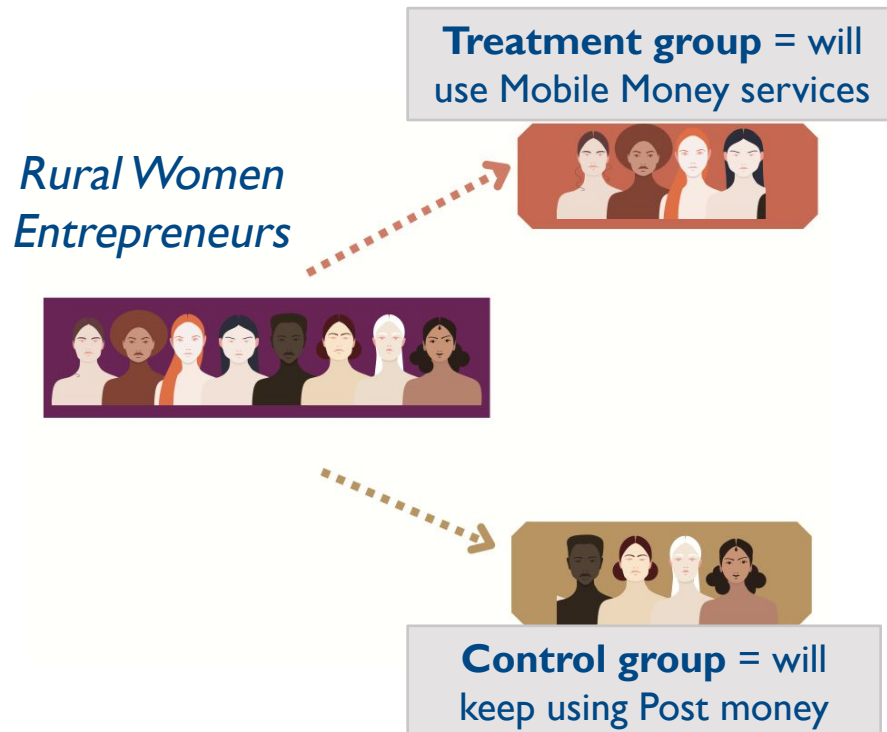
- **Daya platform's database:** for *Access* and *Achievement* metrics.
- **Survey deployment:** for *Agency* metrics.
 - Through Daya's dashboard
 - SurveyCTO coded
 - 10 minute long

Target Outcomes:

- **Reduced *individual* financial stress**
- **Increased time spent on *business***
- **Increased time spent with *family***

Randomized Control Trial (RCT) over four Craftsmanship Regions

Design of the RCT



Sample Selection

Sample Size and selection

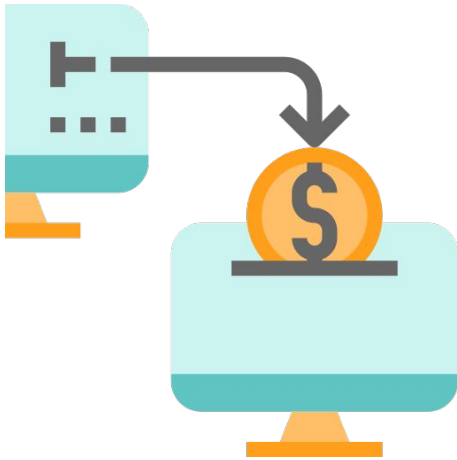
1000 Daya users from four Tunisian regions:

- ☐ Beja: 250 women
- ☐ Jendouba: 250 women
- ☐ El Kef: 250 women
- ☐ Siliana: 250 women

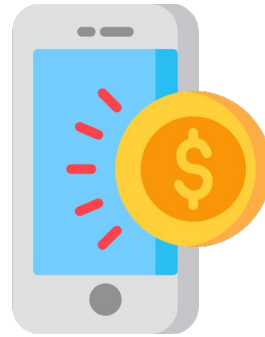
Group assignment will be done at the **village level** to account for **spillover** effects (i.e. woman artisans are very well connected, and may mention the new mobile money program to control group women).

High Cluster Number, **Low** Cluster Size

Treatment, channel and targeted outcomes



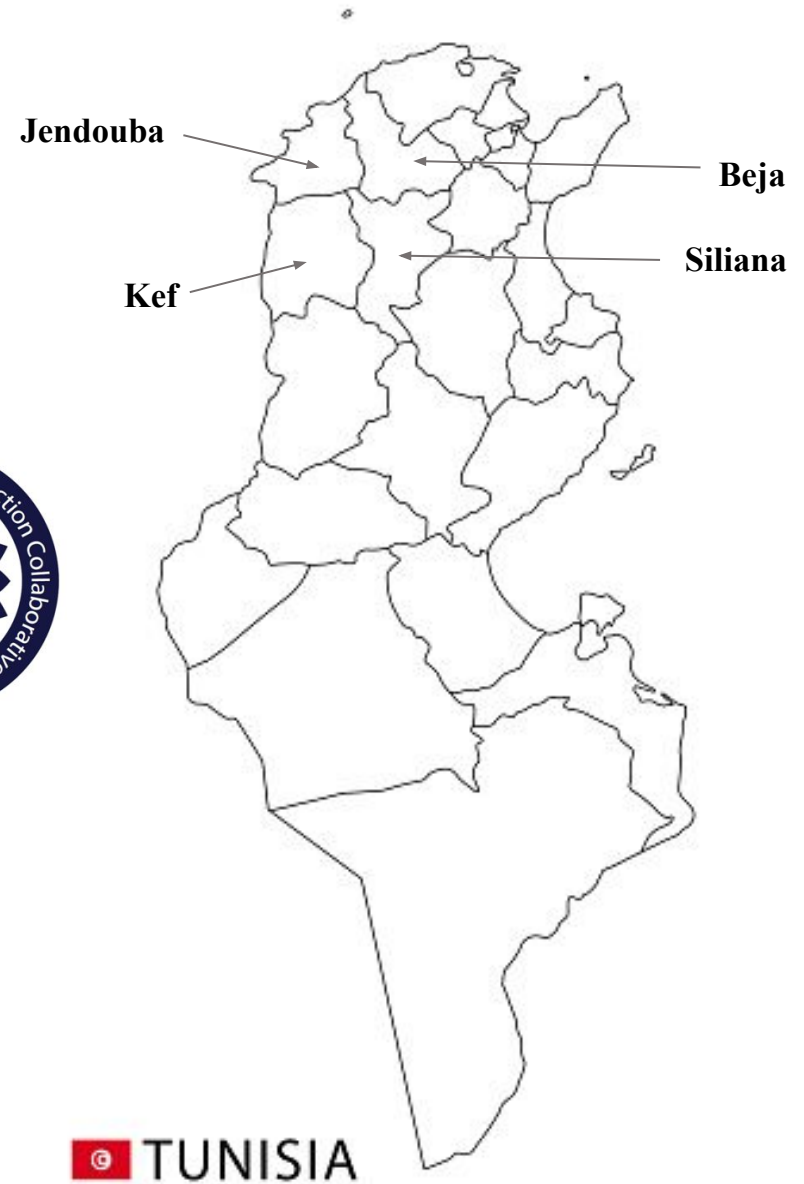
Customers buy products through Daya platform



Female rural artisans' collect their earnings through a mobile money app.



How is the treatment being offered?





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Assumptions



Business and artisan skills

- Minimum quality requirements for products
- Although all levels of business readiness are welcomed, Daya also offers access to business training opportunities.



Distance to postal offices

- Of the 1,030 total postal offices in the country only 600 are connected.
- Assume all artisans are within the same distance.



Digital literacy

- Since all artisans in the sample are already using Daya, we assume same levels of Digital Literacy.
- Smartphone penetration is high, assume same levels of Mobile Literacy.



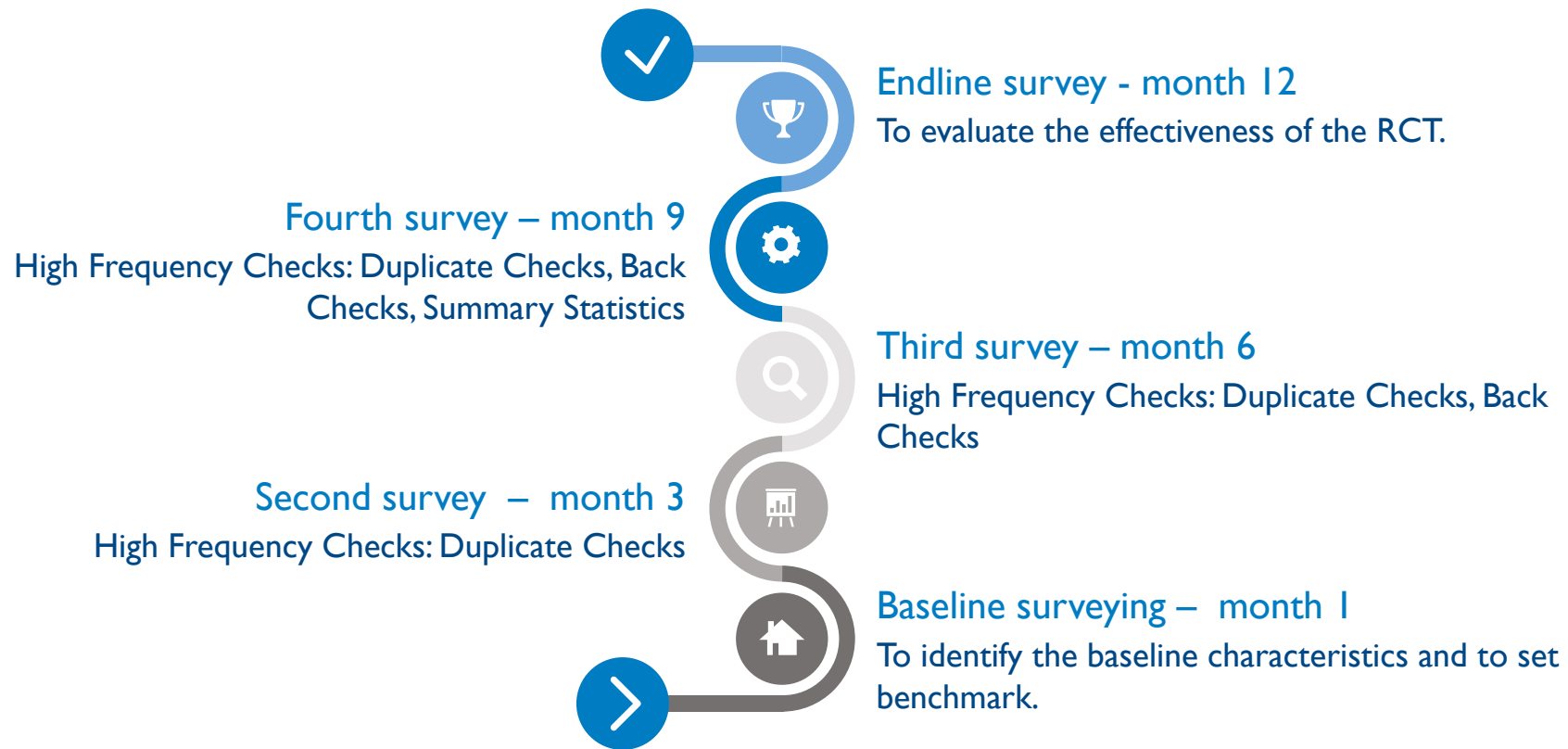
Access to markets

- By joining Daya, all rural female artisans have access to the same number of markets offered by Daya.



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Timeline roadmap



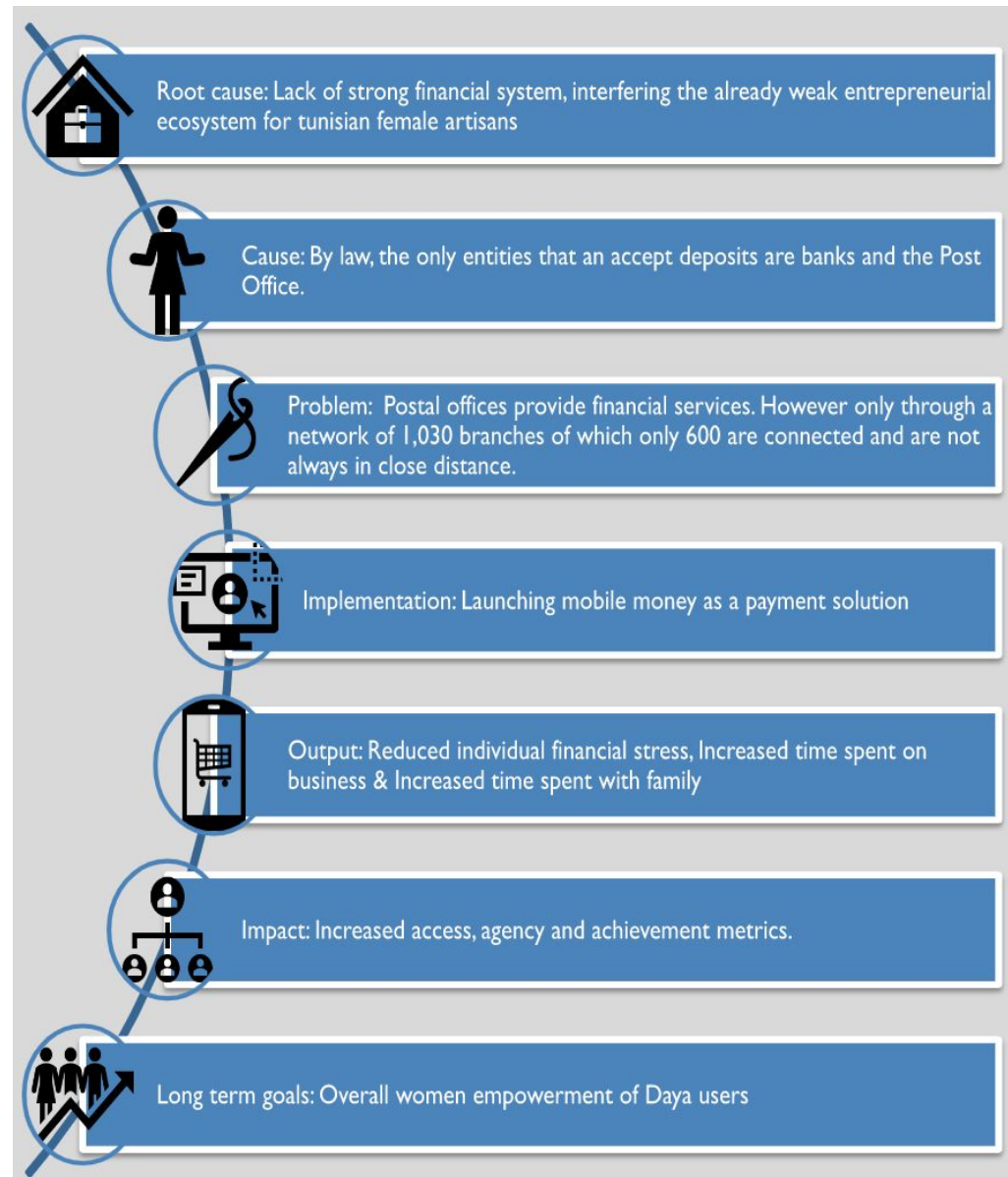


Thank you!
Any questions?



Appendix

Theory of change

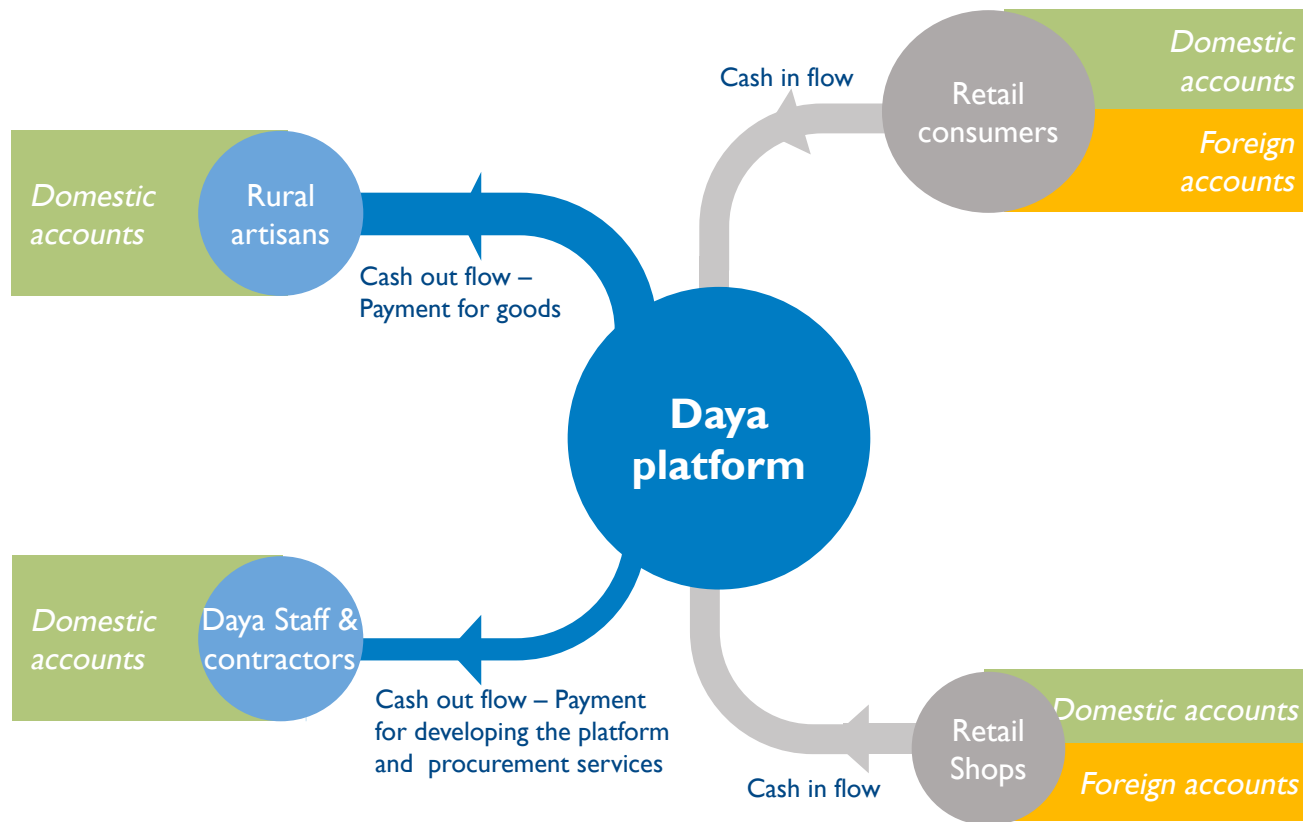


How does Daya work?

Engagement with artisans and customers



Playing as an intermediary and market connector, Daya has to secure payment and transfers within the regulatory context



Trade & export regulation

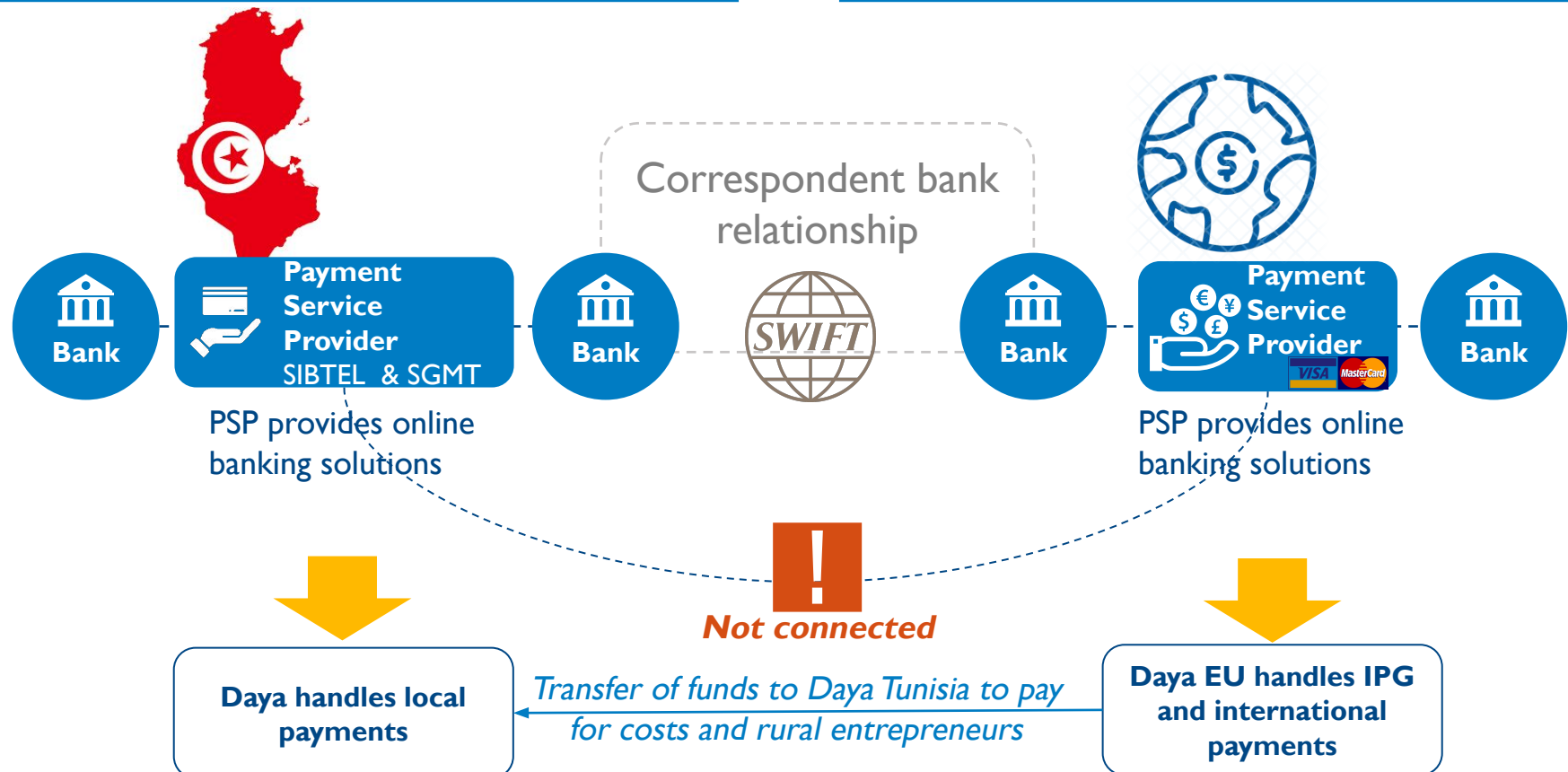
- Licenses are not required for the majority of exports
- No tariffs on exports
- The following documentation is required in order to export goods from Tunisia:
 - Certificate of origin
 - Bill of lading
 - Commercial invoice
 - Customs declaration
- Given the Tunisian dinar's status as a non-convertible currency, cross-border eCommerce purchases are not possible except with specific authorization from the Tunisian Central Bank
- Following passage of the Start-Up Act, the Central Bank outlined a procedure for **qualified companies** to open **hard-currency accounts**

Daya can set up a legal entity abroad to provide international online payment solutions, while handing local payment by a local legal entity

Tunisia banking structure

Global banking system

SIMPLIFIED

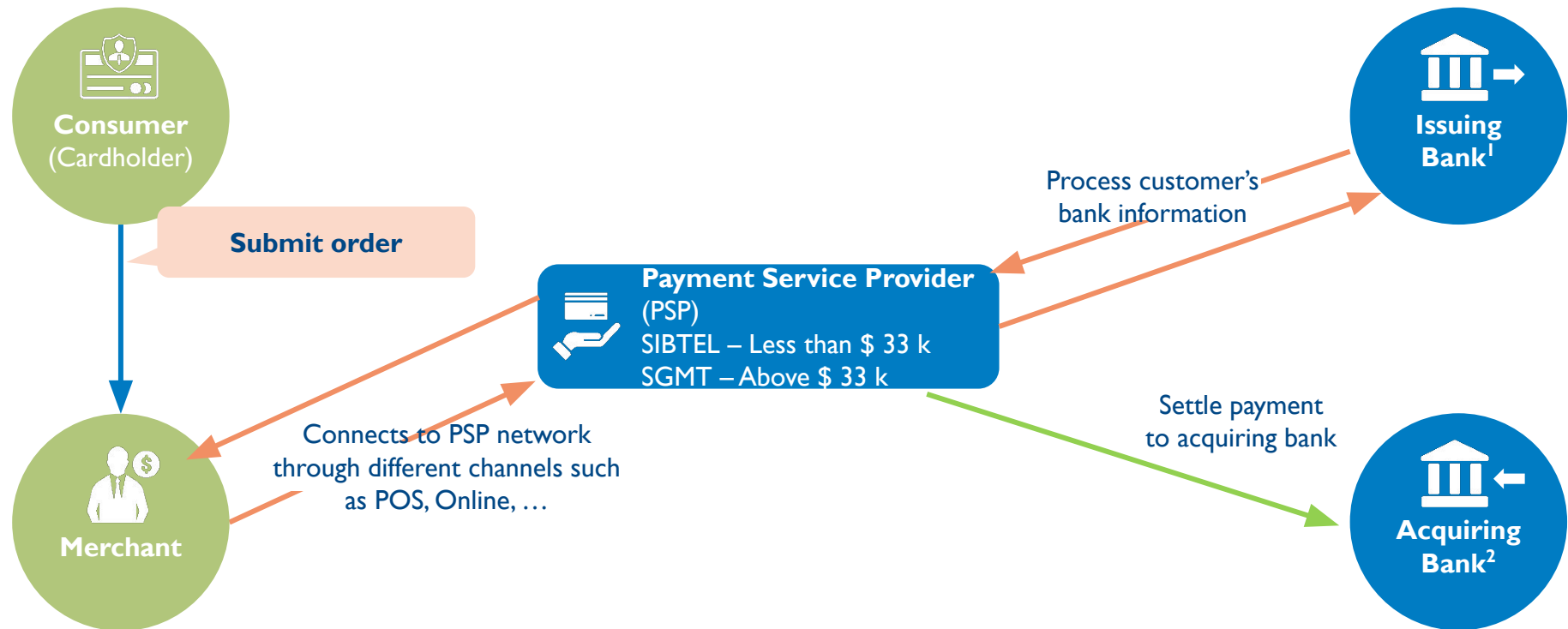


Source: <https://medium.com/@TimothyLea2/how-will-blockchain-impact-the-financial-industry-over-the-next-20-years-8435bc86f01f>

Tunisia has two payment service providers, categorizing the transactions based on the value of transactions

BACK
UP
SIMPLIFIED

Money flows for payment transactions in Tunisia



Source: BNP Paribas report on Tunisia,
Note: 1) Customer bank 2) Merchant's bank

