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THE CONTRIBUTIONS OF TANZANIAS DIGITAL AND ELECTRONIC BANKING TO THE DEVELOPMENT OF NATIONAL ECONOMY.

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Abstract

In the past two decades, the rapid expansion of digital and electronic banking has driven national economic development in Tanzania. This paper discusses the contributions of key digital financial platforms, which encompass mobile banking, internet banking, mobile money services, agency banking, and automated payment systems, towards economic growth, financial inclusion, and the modernization of the financial sector. Through both qualitative and quantitative findings from national reports, regulatory frameworks, and industry studies, this article sets out to show that digital banking increases the accessibility of finance to excluded segments of the population, reduces transaction costs, and encourages formalization of business activities.

Furthermore, Electronic banking enhances government revenue collection due to digitized tax platforms, fortifies monetary policy transmission, and reinforces efficiency in public service delivery. Challenges such as cybersecurity risks, barriers in digital literacy, and infrastructural constraints are also discussed. This paper concludes that digital and electronic banking have set a transformational pace for Tanzania's socioeconomic development and presents policy recommendations to foster innovation, security, and inclusivity in growth within the financial sector.

Keywords: Digital Banking, Electronic Banking, Financial Inclusion, Economic Development, Tanzania, Financial Technology (FinTech), Electronic Payments, Banking Innovation.

INTRODUCTION

Digital and electronic banking have played a major role in transforming Tanzania's financial sector by improving financial inclusion and, at the same time, fostering economic development. Countless Tanzanians today have access to financial services through platforms such as mobile banking, internet banking, and automated teller machines, dispensing with the need to enter the banking halls. The expansion in financial services has empowered people both in rural and urban areas to save, invest, and execute transactions with more efficiency, hence stimulating domestic consumption and investment activities and contributing toward GDP growth. According to the Bank of Tanzania, 2023, more than 80% of adults in Tanzania are currently financially included, largely because of the rapid adoption of mobile money services and electronic payment systems that bridge the gap between the formal financial sector and the previously unbanked population.[i]

Besides, digital banking enhanced operational efficiency and increased revenue generation in the financial sector, leading to a stabilizing effect on the macroeconomy. The adoption of electronic payment systems has ensured more transparency, along with reduced transaction costs and fewer leakages both in private and public financial management.[ii] It has also facilitated electronic commerce or e-commerce, enhanced tax collection systems, and increased competitiveness among businesses.[iii] These contributions altogether have established digital and electronic banking as drivers for modernizing Tanzania's economy and ensuring sustainable development.

THE CONCEPTUAL FRAMEWORK

The conceptual framework provides a comprehensive approach to understanding and analyzing the concept of Tanzania's digital and electronic banking as provided below: -

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1. **Bank**

A bank is a financial institution that accepts deposits from the public, safeguards them, and provides credit facilities such as loans and advances to individuals, businesses, and governments to promote economic development. Banks act as intermediaries between savers and borrowers, facilitating the flow of funds within an economy. They also offer various financial services, including payment processing, foreign exchange, and investment management, contributing to financial stability and growth. In essence, banks play a vital role in mobilizing savings and allocating capital efficiently to stimulate economic activities.[iv]

In Tanzania the *Banking and Financial Institutions Act*,[v] is the main law which provide for the regulation of the bank and financial institution, according section 3 of the *Banking and Financial Institutions Act*,[vi] bank is defined to mean an entity that is engaged in the banking business. This means any entity engaged in banking business is regarded as bank.

2. **Digital and electronic banking**

Digital and electronic banking refers to financial transaction services conducted in digital form that enabled various electronic platforms such as automated teller machines (ATM), telephone banking, cardless banking, mobile banking, electronic fund at point of sale (EFPOS) and Financial Technology (FinTech).[vii] In Tanzania digital and electronic banking includes various platform EZYPESA, M-PESA, HALOPESA, MIXX BY YASS and AIRTEL MONEY togetherness with online banking portals designated by banks such as CRDB Bank, MKOMBOZI Bank, AZANIA Bank, NMB Bank, NBC Bank, STANBIC Bank, EXIM Bank, Standard Chartered, DTB Bank, Akiba Bank, KCB Bank, Commercial Bank of Africa, PBZ Bank and ABSA Bank.

Electronic banking is an exchange of funds in a paperless form between banks, business entities and customers.[viii] It may also be referred to as electronic fund transfer (EFT), e-banking or e-finance.[ix] In electronic banking, funds are transferred via electronic means such as telephones, telexes, facsimiles, telegraphic transfer[x] mobile phones and computers.[xi] It includes fund transfer through automated teller machines (ATMs), cheque truncation, and point of sale transactions etc.[xii] it involves an application of the Information and Communication Technology (ICT) in transferring fund.[xiii]

The banking and financial sector in Tanzania has adopted the use of different channels in digital and electronic banking services as follows;

i. **Automatic Teller Machine (ATM)**

This is a computerized banking device that found nearby bank or any places that allows consumers to conducting they are financial transactions 24 hours and anywhere other physical location.[xiv] The Customers through ATM services can be offered service such as access their balance, e-cash transfer to other account, application for a cash book and short statement.[xv] Also, according to Saleh[xvi] describes ATM as combination of different system of computer terminal, database system, and cash vault in one system that allowing consumers to withdraw money by using plastic ATM card that contain special code number linked to the bank computerized system twenty four hours. It offers the financial transaction services to consumers.

ii. **Internet Banking**

This is service provided by the bank whereby customers get access to their bank account by using internet to enable them to conduct financial transactions on their account, given connected with stringent security checks. Internet banking provides effective and easy to their consumers and enables them to credit or debit at 24/7 access to Customers.[xvii] Internet banking is used advanced technology to provide easier services to its customers to gain greater control over managing their financial transactions. Banks understand the needs of their users so they are fighting to provide advanced services.[xviii]

iii. **Mobile Banking**

Means financial transaction that conducted through mobile network by using mobile phones devices. Normally, these services include deposing, withdrawing, sending, saving money and making payments by using internet connection to the bank.[xix] Also, this system applied to a customer by conducting transaction by using an application of mobile computing, various mechanism are used to enhancing transaction by using mobile phones, tablets, personal digital assistants (PDAs) and other communication device.[xx]

Mobile banking helps customer's easier financial transactions and these transactions will have the impact on the customers mobile banking accounts either crediting or debiting their accounts.[xxi]

iv. **Telephone and Cardless banking**

Cardless banking can be considered as financial transaction activities conducted by using form of remote or virtual banking, which linked to the delivery of branch services via telecommunications devices. This allows users to conduct retail electronic financial transaction services by dialing a touch tone or mobile communication unit, which linked with a bank database by utilizing Automated Voice Response (AVR) technology.[xxii] Also, Telephone banking can be termed as a service issued by a bank that enables consumers to perform their financial transaction by using telephone without visiting to a bank branch or ATM.[xxiii] Due to the technological development, telephone banking is very crucial to those who use it in their daily financial transaction activities because services provided are less costly, easy to access and it save time.

v. **Financial Technology (FinTech)**

This is new financial system which developed to improve and help companies to manage their financial transactions and businesses. The technologies development led to the peoples to conduct their financial activities such as online transaction, money transfer and more by using FinTech.[xxiv]

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Also, FinTech can be termed as services provided through the internet by using new applications, products, processes or business models in the field of financial services. Servies may be provided by various independent providers who registered with regard to the terms, conditions and procedures provided by special laws and regulations. FinTech is very crucial and are special because these companies proved the inevitability of innovations.[xxv] In fact, due to the development of development in financial sector, today FinTech is termed as crucial and very uniquely recent marriage of financial transaction business and information technology.[xxvi]

vi. Electronic Funds at Point of Sale (EFPOS)

Electronic Funds at Point of Sale (EFPOS) is an electronic payment method where customers pay electronically from retail or service points using debit or credit cards in lieu of cash. When a customer makes a purchase, the system electronically pays the customer's bank account to the merchant's account through a secure electronic network.[xxvii] These are places located in order for a customer to buy their goods and services by using electronic payment. The payment conducted through cashless and voucher-less by using electronic device such as a VISA or debt card.[xxviii]

EFPOS systems integrate banking networks, point-of-sale terminals, and authorization systems in real-time, enabling prompt verification and transaction completion. It operates on magnetic stripe cards, smart cards, or contactless.[xxix]

3. Economic Development

Economic development refers to the process through which a nation improves the economic, political, and social well-being of its people. It involves sustained increases in income levels, employment opportunities, and the standard of living, accompanied by structural changes in the economy such as industrialization and modernization of infrastructure. Unlike mere economic growth, which focuses on quantitative expansion of output, economic development emphasizes qualitative improvements in education, healthcare, and income distribution that enhance human welfare and reduce poverty.[xxx]

4. National Economy

National economy refers to the total system of production, distribution, and consumption of goods and services operating within a country, shaped by key sectors such as agriculture, industry, services, technology, and finance. It encompasses all economic activities carried out by individuals, firms, and government institutions aimed at generating income, employment, and sustainable growth for the nation.[xxxi] A strong national economy depends on effective financial infrastructure, including digital and electronic banking, which improves efficiency, enhances financial inclusion, and supports overall economic development.[xxxii]

THEORETICAL FRAMEWORK

Theoreticatical framework provides a comprehensive approach to understanding and analyzing the theory of digital and electronic banking as provided below: -

1. Neo-Classical Growth Theory

According to Masoud (2013), the theory was developed by Trevor Swan and Robert Solow in 1956, which stipulated that economic growth theory, now known as the Solow-Swan growth theory, focused on three factors that impact economic growth: labour, capital, and technological advancement. Whereas a nation asserts the importance of labour and capital in enhancing economic growth that makes the economy stay at a steady point, technological advances are what really impact economic growth; hence, the theory states that economic growth will not take place unless there are technological advances and those advances happen by chance. Hence, once technological advances have been made, they impact labour and capital, which have to be adjusted accordingly. Hence, the theory depends on two factors that bring about economic development: first, the continuous economic growth due to technological advances, which therefore cannot be, and second, the diminishing marginal returns of capital and labour.

2. The Technology Acceptance Model (TAM) Theory

The Technology Acceptance Model (TAM) was developed by Fred Davis (1986)[xxxiii] as an extension of the Theory of Reasoned Action (TRA) of Fishbein and Ajzen (1975).[xxxiv] The model explains how the users accept and utilize a technology. According to TAM, two significant factors determine a person's intention to use a system: One, Perceived Usefulness (PU): The degree to which a person feels that using a particular system will enhance his or her job performance or daily life, and two perceived Ease of Use (PEOU): The degree to which a person feels that the use of the system will be easy. These perceptions influence the attitude of the user toward using technology, which determines their behavior intention and actual use of the system.[xxxv]

3. **Law and Development theory.**

Theory of Law and Development speaks about how law enables (or disables) social, economic, and institutional development. It examines the linkages among legal systems, economic development, and social change primarily in developing countries.[xxxvi] According to David M. Trubek and Marc Galanter (1974)[xxxvii] theory evolved to understand how legal reforms were intended to be instruments for achieving broader development goals like economic modernization, social justice, and institutional efficiency. This theory recognizes that law is not only a set of rules but also a tool for development that can influence social behavior, empower citizens, and make people accountable all of which are central to the digital banking era.[xxxviii] In Tanzania's context, digital and electronic banking transformed access to financial services but also created new legal issues in the areas of cyber fraud, data misused, and exploitation of consumers. Applying Law and Development Theory provides a prism for examination of whether Tanzania's regulatory and legal frameworks permit sustainable and inclusive financial development.

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CONTRIBUTIONS OF DIGITAL AND ELECTRONIC BANKING TOWARDS TANZANIA'S ECONOMY.

1. Improvement in Financial Inclusion

Digital and electronic banking have transformed the face of Tanzania's financial transactions by extending banking services to unbanked and underbanked populations, especially in remote rural areas. Today, millions of people in Tanzania can bank-money through M-PESA, TIGO PESA, AIRTEL MONEY, AND HALOPESA, where deposits, withdrawals, and transfers can be made without necessarily visiting any physical bank branches. According to the Bank of Tanzania (2023), mobile money subscribers reached over 40 million, increasing the proportion of financially included adults to above 80%.[xxxix]Presently, the ease of use has empowered low-income earners, women, and small business owners to participate in formal financial systems, cultivating a culture of saving and investment. Digital financial inclusion has also strengthened income equality, encouraged entrepreneurship, and supported the government's efforts toward attaining Vision 2025 of a middle-income economy that is propelled by inclusive growth.[xl]

2. Trade and Business Transaction Facilitation

E-banking systems, such as mobile banking, internet banking, and electronic funds transfer, increase the speed, security, and efficiency of payments for goods and services. Digital banking reduces transaction costs and enhances business efficiency by minimizing cash handling. This is particularly helpful for SMEs, as electronic modes of payment enhance liquidity management and record-keeping, hence facilitating the formalization of business activities.[xli] The usage of mobile phone payment solutions in business operations has increased its reach and competitiveness, while digitalization of utility, tax, and salary payments enhances transparency and accountability. This development has contributed to the growth of both the formal and informal sectors of the Tanzanian economy.[xlii]

3. Revenue Generation and Employment Creation

Digital and electronic banking greatly contribute to government revenue in terms of levies on transactions, value-added taxes on services, fees paid for licensing, and corporate taxes paid by service providers.[xliii] Besides the basic employment that the digital banking ecosystem has provided to IT specialists, mobile money agents, digital marketers, and customer service officers across the country, the aggressive growth of agency banking networks has created jobs and therefore reduced unemployment, while at the same time empowering youth and women to take part in income-generating activities. This is also aligned with the government's goals of leveraging digital transformation to drive socio-economic development.[xliv]

4. Encouraging Savings and Investments

As a result, mobile and online banking platforms make it easy and accessible to save frequently for people who had been excluded from formal financial institutions. Mobile wallets enable users to save small sums of money in a secure way, while commercial banks use such deposits to finance productive investments, such as industrial projects, agricultural development, or infrastructure expansion.[xlv] Besides this, fintech innovations like digital micro-lending and automated savings tools have further strengthened Tanzania's financial ecosystem by providing ways of efficiently mobilizing and utilizing capital.[xlvi] These mechanisms spur economic growth through increased capital formation and diversification of various investments.

5. Support for Monetary Policy Implementation

Digital banking systems create real-time financial data, allowing BoT to track liquidity movements and manage inflation while making informed monetary policy decisions.[xlvii] Increased usage of the electronic payment system contributes to more transparency and traceability of financial flows, reducing money laundering and any other illicit financial activities.[xlviii] Digital banking enhances the efficiency of financial intermediation and improves the accuracy of data, thereby strengthening macroeconomic management and monetary stability—integral components of sustainable economic development.

Regulatory.

THE CHALLENGES FACING DIGITAL AND ELECTRONIC BANKING IN TANZANIA.

Despite notable progress in digital financial services, several persistent challenges reduce the efficiency, inclusiveness and trustworthiness of Tanzania's digital and electronic banking sector.

1. The Cyber Security Threats and Fraud

Digital banking growth has been accompanied by an increase in cyber-enabled fraud (phishing, SIM swap, malware) and incidents of unauthorized access to accounts. These attacks cause direct monetary losses to users and institutions, harm customer confidence, and impose significant compliance and remediation costs on banks and payment providers. Reported incidents have included large numbers of mobile-money related frauds and substantial monetary losses recovered only partially by authorities, highlighting both the operational exposure of payment channels and limits in quick incident response and recovery for victims.[xlix]

2. Low Digital and Financial Literacy

Many potential users, they are from particularly in rural communities and among older adults—lack the know-how to safely operate mobile wallets, use secure authentication, or recognize phishing/social-engineering attempts. Low literacy increases the probability of mistakes (sharing PINs, falling for scams) and reduces the effective benefits of access (users may open accounts but not use them for saving/credit). Financial education gaps therefore blunt the inclusion gains of expanded agent networks.[l]

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3. Inadequate Regulatory and Supervision Coverage

While the National Payment Systems Act gives the Bank of Tanzania broad powers to regulate payment systems, rapid fintech innovation (e.g., new wallet models, buy-now-pay-later, cross-border payment aggregators) sometimes outpaces specific licensing/consumer-protection rules. Regulatory grey areas remain around data portability, third-party risk management, liability allocation for fraud, and cross-platform interoperability—all of which complicate dispute resolution and consumer redress.[li]

4. Network Instability and Infrastructure Gaps

Digital banking depends on reliable mobile networks; internet backhaul and electricity. Many rural and remote areas still experience intermittent connectivity and power outages; this reduces transaction reliability, increases failed transactions, and raises operational costs for agents who must run backup power or travel to areas with service. These physical infrastructure gaps disproportionately affect low-income users and small merchants, undermining equitable access.[lii]

5. Data Privacy, Governance and Capacity Constraints

As banks and non-bank payment service providers collect more customer data, gaps in data governance, secure storage and privacy enforcement increase the risk of data breaches. Many smaller providers and agent operations lack mature IT security controls, and enforcement capacity among regulators is still developing—creating systemic risk if a major breach occurs.[liii]

LEGAL AND REGULATORY FRAMEWORK GOVERNING DIGITAL AND ELECTRONIC BANKING IN TANZANIA. LEGAL FRAMEWORK.

1. The Bank of Tanzania Act, [Cap. 197 R.E 2023]

The Act establishes the legislative guidelines which empower the Bank of Tanzania (BoT) to regulate, supervise, and ensure stability, safety, and efficiency of the financial system, such as electronic and digital banking services. The BoT, under Section 5(1)(d) of the Act,[liv] is mandated to "promote the soundness of the financial system and protect the interests of consumers of financial services." The Bank is sanctioned by this section to regulate the manner in which the financial institutions conduct digital and electronic transactions to ensure fairness, transparency, and security.

2. The Banking and Financial Institution Act, [Cap. 342 R.E 2023]

The Act is the primary legislative framework for the customer protection under Tanzania's electronic and digital banking sector. Section 26(1)[lv] of the Act mandates banks and financial institutions to carry on their business in accordance with the principles of integrity, transparency, and accountability and in a fair manner towards customers. Besides, Section 47(1)[lvi] empowers the Bank of Tanzania (BoT) to make regulations and directives that would enhance consumer protection and protect the rights of customers against violations, especially in electronic transactions. All these provisions combined see to it that banks implement prudent practices in the handling of customers' information, money, and electronic transactions.

3. The National Payment System Act, [Cap. 437 R.E 2023]

The Act provides a basic legal framework of protection of customers in Tanzania's electronic and digital banking. Under Section 4(1),[lvii] statutory power was exercised by the Bank of Tanzania to regulate, supervise, and monitor payment systems and payment service providers in an effort to ensure safety, efficiency, and reliability in electronic money transactions. Such power ensures that electronic and digital banking operations are conducted in a secure and transparent manner, protecting consumers from dangers of fraud, misuse of data, and breakdown of the system of the institution. Moreover, Section 5(1)[lviii] requires payment system operators and service providers to be licensed by the Bank of Tanzania to ensure the only compliant and trustworthy institutions are involved in digital financial services.

4. **The Electronic Transaction Act, [Cap. 442 R.E 2023**]

The Act, creates a wide-ranging legal framework that governs electronic transactions and electronic communications in Tanzania for the safeguarding of customers that are engaged in digital and electronic banking. Electronic transactions and communications are, pursuant to Section 6(1) of the Act,[lix] legally enforceable and effective, safeguarding the rights of customers when banking online. Besides, Section 22 obliges service providers, including banks, to secrecy and privacy protection of personal data collected in the process of electronic transactions so that information on their customers is not made known without consent.[lx]

5. The Cybercrimes Act, [Cap. 443 R.E 2023]

The Act is an important legal provision for protecting customers in Tanzania's e and digital banking sector by addressing computer system and online transaction offenses. Specifically, Section 5 of the Act,[lxi] makes offenses against unauthorized access to computer systems or data so that financial and personal information of customers is adequately kept safe from hackers and cyber-attacks. In addition, Section 7,[lxii] prohibits unauthorized computer tampering with computer information, excluding altering, deleting, or damaging customers' electronic financial records. All the provisions as a whole offer security and integrity of electronic banking transactions, promoting confidence and security in the online financial community.

6. The Fair Competition Act, Cap. 285 [R.E 2023]

The Act, is a vital legislative tool for the protection of consumers in Tanzania's digital and electronic banking sectors. Section 15(1) of the Act,[lxiii]criminalizes any person from engaging in conduct that is likely to mislead or deceive, or is misleading or deceptive, in trade. This section is particularly relevant to the context of online banking, since digital platforms are used by most consumers for money services. Through providing digital money services with accuracy and veracity, this section spares the consumer from

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fraudulent practice and deceptive advertisements. Additionally, the Act authorizes the Fair Competition Commission (FCC),[lxiv] to take enforcement action against such unfair acts, thus furthering consumer confidence in online financial services.

INSTITUTIONS FRAMEWORK

1. Fair Competition Commission (FCC)

The Tanzania Fair Competition Commission plays an important role in safeguarding the interests of consumers in electronic and digital banking. Under the *Fair Competition Act,*[lxv] the FCC has an obligation to promote and defend competitive markets, prevent anti-competitive conduct, and protect consumer welfare. This entails investigating complaints, conducting market inquiries, and taking enforcement action against unfair trade practices such as price-fixing, market allocation, and bid rigging. In the provision of a level playing field, the FCC helps maintain consumer confidence and trust in digital financial services.

2. Bank of Tanzania (BOT)

The BoT was established by section 4 of the *Bank of Tanzania Act,*[lxvi] for the purposes of formulate, regulate and dealing with all matters related to payment and clearing settlements in any bank of financial institution, and establishing of payment system.[lxvii] Also, the BoT shall be formulated, define and implement of monetary policy direction to the national economic strategies and maintaining internal price stability.[lxviii]

Additionally, all financial service providers (FSPs) licensed and regulated by the BoT must adopt rigorous consumer protection policies under the said regulations. The key elements are product terms disclosure, fees and charges disclosure, and consumer data protection. FSPs are also mandated to have effective complaints handling and ensure that their employees are well informed on consumer protection. The BoT conducts onsite as well as offsite supervision to compel adherence to the above requirements using tools such as mystery shopping to assess market conduct Bank of Tanzania.[lxix]

3. Tanzania Courts,

Tanzanian courts have acted as a crucial bulwark for the interpretation and application of consumer protection legislation in the digital banking realm. In Adella Stanslaus Assey v. Vodacom Tanzania Public Ltd Company and NMB Bank PLC,[lxx] for instance, the High Court emphasized the need for consumers to adhere to the Bank of Tanzania's (BoT) recommended complaint process before seeking judicial relief. The court underscored that bypassing such mechanisms could undermine the regulatory framework established to protect consumers. Similarly, in Riziki Mwitu Kiondo & Others v. Vodacom Tanzania PLC & Others,[lxxi] the High Court addressed issues relating to consumer rights in e-commerce, placing prominence on the applicability of regulatory compliance and protection of consumer interests.

RECOMMENDATIONS

The paper not only pin point the challenges but gives room to make suggestion on various aspect to be worked upon by the key figure in the country. In order for electronic and digital banking to continue contributing constructively to the economic development of Tanzania the study proposed the following recommendations;

1. Strengthen Cybersecurity Frameworks

With increasing cases of cyber fraud and financial data breaches, it is expected that Tanzania's financial institutions will further develop their cybersecurity systems through regular audits, penetration testing, and advanced encryption protocols to secure customers' data and transactions. The Bank of Tanzania, Tanzania Communications Regulatory Authority, and the Financial Intelligence Unit should join forces in formulating a unified national cybersecurity strategy for financial systems. This will also ensure compliance by the institutions with the National Cybersecurity Framework, 2016, and make them compatible with international best practices such as the Basel Committee's Cyber-Resilience Principles.[lxxii]

2. Enhance Digital Literacy

Digital literacy remains a cornerstone for the successful implementation of digital banking. Digital financial literacy programs should be taken up at a national level through the government, banks, and mobile network operators in order to equip citizens—especially those in rural and semi-urban areas—with the knowledge and skills to safely use digital platforms. This could include integrating financial technology education into school curricula, providing training through community centers, and broadcasting public awareness campaigns via television, radio, and social media. These initiatives are capable of lowering vulnerability to fraud, promoting trust, and enhancing digital inclusion.[lxxiii]

3. Encourage Innovation and Fintech Growth

What will likely be required to sustain growth and competitiveness within this digital finance ecosystem is an enabling environment for fintech startups and innovators. This may involve providing tax incentives, regulatory sandboxes to test product ideas, and promoting public–private partnerships that will spur research and development into financial technology. Besides promoting competition, this will ensure increased coverage of more marginalized groups, which is in line with the goals of the National Financial Inclusion Framework for 2023–2028.[lxxiv]

4. Expand Digital Infrastructure

Digital transformation relies highly on robust infrastructure. The government should consider investing more in broadband connectivity, the expansion of 4G/5G, and reliable electricity, especially in far-flung areas. In this respect, renewable energy sources might help to feed the digital systems in off-grid areas and increase inclusiveness. The partnership with private telecommunications companies can further ensure a faster pace of

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network infrastructure roll-out, hence granting equal access to digital banking services to people from all over.[lxxv]

5. Review and Harmonization of Legal Frameworks

With the fast-evolving digital financial landscape, continuous reforms in laws and regulations will make them coherent and all in line with best international practices. Laws on data protection, consumers' rights, cybersecurity, and cross-border digital payments need actualization. Such harmonization of legal frameworks will go a long way in creating public confidence, attracting foreign investment, and encouraging sustainable growth of digital finance. Additionally, regulators will have to benchmark Tanzania's regulations against those operating in successful jurisdictions such as Kenya and Singapore for adaptability and competitiveness.[lxxvi]

CONCLUSION

Digital and electronic banking have shaped the economy of Tanzania in important ways. The sector has also acted as a driver for economic growth through increased financial inclusion, facilitation of trade, generation of revenue, and promotion of investment. However, the full realization of its potential is constrained by issues including cybersecurity, regulation, and infrastructure challenges in Tanzania. This will guarantee that digital banking serves as a permanent driver for sustainable economic growth and social well-being.

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