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**Can blockchain help improve financial inclusion?  
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# Can blockchain help improve financial inclusion? A comparative study<sup>1</sup>

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## **Abstract**

The financial inclusion of poor populations and/or refugees can be hindered by difficulties in proving or reluctance to disclose their identity. Bank accounts and mobile money services require that identities be provided. Financial digital services based on blockchain technology can provide anonymous authentication to poor/refugee populations and be a first step towards financial inclusion. We scrutinize several examples of such projects by comparing them with blockchain-based digital identity or financial inclusion programmes that are not necessarily restricted to poor/migrant populations. We use social network activity as a proxy for the failure or success of such projects. We find that blockchain projects targeted to migrants and poor individuals are more likely to fail than are those targeted to all. We more closely examine one particular case to check the consistency of our proxy. We present plausible explanations for our result: the discrepancy between the needs of populations of low socioeconomic status and the proposed blockchain-backed financial services and the fact that maintaining such services is energy intensive.

**Keywords:** blockchain, financial inclusion, refugees, Finland

**JEL codes:** F22, F24, E42, O15, O19, I38, G53

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## **1 Introduction**

Although there is a consensus regarding the fact that the financial inclusion of a large part of a population is beneficial to development and growth, the fact that identity papers (henceforth “ID papers” for ease of notation) are a necessary prerequisite for inclusion is often overlooked.

We focus on populations for which proving identity is more likely a problem: refugees and very poor, mostly homeless, populations. Concerning refugee populations throughout the world, being able to ascertain identity is an important matter. In some cases, refugees can be relatively wealthy, have robust financial knowledge, or have had bank accounts and savings in their home countries, although though they may not have access to finance because of the seemingly impossible challenge of presenting their ID papers. Most of the time, it is difficult for these individuals to present their ID papers because, for example, they have been lost, destroyed, or kept by home country authorities, who could refuse to send such papers to refugees. Without proof of identity, it is impossible for such individuals to open a bank account or even to obtain a phone with a Subscriber Identity Module (SIM) card and access mobile money payments. Concerning extreme poverty or homelessness, proving residency is necessary to obtain ID papers. However, the notion of “financial identity” can also be extended to the track record of economic transactions, which is not available for unbanked individuals, even when justifying a postal address. . For example, an unbanked person cannot prove that he or she has repaid small loans in cash to a third party. In that sense, the impossibility of certifying past transactions or income flows is, to some extent, comparable to an identity problem<sup>1</sup>.

In such a context, blockchain technology can offer a solution because of its identity certification properties. When applied to cryptocurrency, this technology allows one to transact without ID papers, with the important caveat that unlike with those transactions involving cash,

these transactions can be traced. Indeed, such technology has already been tested in some programmes throughout the world.

We study 32 projects implementing blockchain with a goal of financial inclusion and digital identity (to simplify, we call them “blockchain projects” hereafter). We separate projects according to their target. Some are explicitly targeted to poor, migrant, or refugee populations, while others do not have a particular target and are open to all individuals or businesses. To assess whether blockchain can help improve the financial inclusion of those with ID problems, we compare the success of a project with a “migrants-poor” target, with the success of projects for which the target is “all”. If projects are successful irrespective of their target, then we cannot rule out the hypothesis that blockchain projects are helpful for populations with ID problems. In contrast, if projects targeted at migrants and poor individuals fail more often, then this casts doubts on the usefulness of blockchain technology, as applied until now, for the financial inclusion of populations with ID problems.

We use the degree of activity on social networks as a proxy for the success and failure of such projects. For example, a project posting a great deal of news at inception and slowly fading to posting no news for years is considered to have a high chance of being discontinued. We do so as a shortcut to identify explicit information because persons in charge of a failed project generally do not advertise it.

We find that projects with “migrants-poor” targets tend to have significantly lower activity on average compared to those with “all” as the target; thus, we conclude that the former is more likely to fail than are “standard” blockchain projects. We document such likely failures for one of such projects, leading us to discuss plausible explanations for the failure of blockchain projects to improve the financial inclusion of populations with ID problems.

The originality of our contribution lies mainly in its policy-relevant analysis of whether blockchain helps improve the financial inclusion of poor and/or refugee populations, notably through digital ID certification. To the best of our knowledge, this work is the first research attempt in this direction, and we hope to provide an analysis that fosters future research.

## **2 Literature review**

It is now common to posit that financial development is related to economic growth (Levine, 1997) and that financial inclusion plays a role in this process. Although since the global financial crisis of 2007-2008, it is also probable that the size of the financial sector has surpassed the optimal level in rich countries (Arcand et al., 2015), financial inclusion is still considered a stepping stone for low- and middle-income countries (Allen et al., 2016; Duvendack & Mader, 2020). Access to formal financial services is considered an important way for poor populations across all countries to benefit from less costly payment instruments, lower interest rates, and eased savings management.

The last step of this stream of thought is to consider that “digital financial services”, in the form of payments and financial services using mobile phones, foster financial inclusion (Demirgüç-Kunt et al., 2018). Other expected benefits of such services are that they help women empower themselves (Brody et al., 2015) and resist intrahousehold pressure (Riley, 2020). At the macroeconomic level, such services could spare a developing country from having to install a full banking infrastructure, instead allowing the country to “leapfrog” directly to a digital finance economy (Aron & Muellbauer, 2019).

However, to open a bank account or a financial account for a mobile phone with a SIM card, one needs an ID; thus, financial inclusion can pose a particular problem for two types of

populations—poor individuals and/or refugees—because of their inability or unwillingness to prove their identity<sup>2</sup>, which can be due to many reasons. ID papers may have been lost, stolen, or retained by someone else. For poor populations in rich countries, homeless individuals are the most concerned because, in such areas, it is necessary to have an address to obtain an ID. However, an extension of this “identity problem” could exist, for example, requiring individuals to prove to a third party that they have a good credit history after having repaid small loans in the form of cash<sup>3</sup>. For refugees, administration archives in their home countries may have been destroyed by war. Alternatively, home country authorities may not be willing to respond to refugees if they are suspected of being opponents. Perhaps more surprising at first sight, refugees themselves can be reluctant to reveal their identity. Latonero et al. (2019) provided an insightful field study with migrants’ testimonials. Some migrants noted that they fear being tracked and sent back to their home countries. Moreover, the field interviews in the aforementioned study indicated that migrants also care about privacy and exhibit a certain mistrust about official organizations; e.g., “when you arrive, all you have is your name, surname... You have to give it everywhere. [You] don’t know what happens. What are they asking for it?” (Latonero et al., 2019, p. 5).

The blockchain technology applied to cryptocurrencies and financial services precisely aims at handling the privacy problem and enabling trust in transactions without systematically needing the intervention of third-party authorities. In a joint discussion paper with Global System for Mobile Communications Association (GSMA) and Secure Identity Alliance including case studies on several countries, the World Bank (Clarck et al., 2016) mentioned that “at least a billion people in developing countries lack any form of officially recognized ID(...) Digital identity, combined with the extensive use of mobile devices in the developing world, offers a

transformative solution to this global challenge and provides public and private sector entities with efficient ways to reach the poorest and most disadvantaged.” (Clarck et al., 2016, p. 7).

A first strand of literature relied on blockchain’s potential to improve financial inclusion. Larios-Hernández (2017) showed that blockchain can foster business opportunities, while Blakstad and Amars (2020) built on recent experiences in Niger to assess that blockchain-based solutions can help bridge the gap between formal finance and rural areas. Moreover, Schuetz and Venkatesh (2020) argued that blockchain has the potential to improve the situation of poor individuals in rural areas in India. Amidst everyday and urgent transactions, “digital remittances” can help refugees send funds to their home countries. For example, Flore (2018) explained that the use of blockchain-based technology in cross-border transactions may reduce costs by up to 60% compared with traditional bank or agent intermediation but also allows for individuals to trade without being forced to reveal their identity, like with currencies but unlike with bank or mobile phone payments. For homeless individuals, cryptocurrencies can also provide a second means of payment, instead of them having to rely exclusively on cash (Schoeni and Koegel (1998) and Sarkar et al. (2021) show the crucial importance of cash for homeless individuals). However, the level of security of cryptocurrencies is higher than that with cash because the risk of theft, although not equal to zero, is comparatively reduced in the case of the former. The reason for this is that transactions with blockchain are fully traceable—as if a banknote or a coin was engraved with the history of all past holders of this monetary unit. In the case of an anomaly, the transaction is simply not authorized.

A second strand of literature relied on blockchain with digital identity. For example, Sarker et al. (2021) showed that identity is one of the core problems leading to corruption in global shipping, arguing that blockchain can help fight against corruption because it securely



records all transactions. In contrast, it can be argued that cryptocurrencies fuel corruption and/or money laundering precisely because they preserve anonymity. However, Turner and Irwin (2018) presented techniques to deanonymize identity in suspicious and illicit bitcoin transactions. Furthermore, Naheem (2019) showed that blockchain can help prevent money laundering, notably by securing identity for beneficial ownership and, thus, can be applied, for example, in countries where notaries (or similar institutions securing property) are absent or unreliable. Finally, standard credential ID systems (those involving biometrics, etc.) are not robust against some users lending their credentials to others, which may apply to populations that lack resources, such as that in the present study. Furthermore, Sarier (2021) showed that blockchain can precisely build nontransferable digital credentials.

However, although several projects have been launched that apply digital identity or cryptocurrency to help poor or refugee populations, only a few of them have been studied in the academic literature. In Kenya, Karanja and Korin (2019) described a blockchain-based digital ID implemented in refugee camps, while in Jordan, the “Building Blocks” programme from the World Food Program has implemented a form of electronic cash aid distribution in partnership with participating markets (Riani, 2018). Moreover, in Uganda, Zimbabwe and South Africa, a startup called Wala tried implementing access to financial services through bitcoin (di Prisco & Strangio, 2021). However, the mismatch between the socioeconomic status of the target population and the bitcoin features led Wala to cease activity three years after its inception.

Complementing these studies, the present article aims to fill this gap in the literature. In the next section, discuss our comparative study.

### **3 Comparative study design and main hypothesis**

After some preliminary research, we start gathering information about projects that use blockchain for “good”, as listed on the website *positiveblockchain.io*. We then restrict the sample to companies/projects responding to the keywords “financial inclusion” and “digital identity”. The next step is the analysis of the text information provided by projects. A “short” description and a “long” description are given for each project. Using this information, we perform a textual analysis to assess the target audience for each project. Because the body of these data is modest, we choose to apply conventional content analysis (Hsieh & Shannon, 2005; Oleinik, 2022). For each project, the variable *target* is determined as follows. If the description of the “business model” of the project shows keywords like “poor”, “poverty”, “unbanked”, “migrants”, and “asylum seekers”, with those being the only beneficiaries of the project, then we code the *target* as “migrants-poor”<sup>4</sup>. In contrast, if the description of the project shows keywords like “people”, “businesses”, and “everyone” and does not explicitly restrict participants to being migrants or poor, then we code the *target* as “all”. Typically, a crowdfunding, blockchain-based platform that entices wealthy persons to become involved in financial development projects to reduce poverty is coded as “all” because, by nature, this type of platform is not addressed to poor populations only.

We want to assess whether the blockchain projects aimed at migrant-poor individuals are helpful, i.e., are likely to succeed. However, failed projects are typically not advertised. Furthermore, although these projects are sometimes born by formal companies or organizations, they may also be conducted by associations or less formal groups. In addition, the financial technology (FinTech) companies in charge of the applications are sometimes very small (fewer than 5 employees). Thus, it is difficult to find official information about the true outcomes of these projects. For this reason, we use activity on internet social networks as a proxy for project

success or failure. We posit that a project for which there are numerous and/or regular “posts” on social networks is more likely to be a success than is that for which there is little activity.

More precisely, we measure social network activity with different variables related to posts and date of posting and compare these measures with the variable *target*. We conduct nonparametric tests to assess whether projects targeted at “migrants-poor” have significantly lower activity than do those targeted at “all”. If so, then we conclude that blockchain projects targeted at migrant-poor individuals are unlikely to be successful.

## **4 Data and results**

### ***4.1 Data description***

A first exploration shows that Facebook and Twitter are the most frequently used social networks among blockchain projects listed when searching for the keywords “financial inclusion” or “digital identity” on positiveblockchain.io. We drop projects without a profile on at least one of these two networks. Among the 32 remaining projects, 30 and 18 have a Twitter profile and a Facebook profile, respectively (see Table A.1 for details). For this reason, the next section presents the results for Twitter only<sup>5</sup>. Concerning the variable *Target*, 22 projects are coded as “all”, and 8 projects are coded as migrants or poor individuals; we thus merge these two categories to conduct tests (see Table A.2 for a short description of these projects). We especially focus on the following variables: *NbTweets* (number of posts since profile creation), *NbMonthTwt* (number of months elapsed since profile creation and date of database construction), *NbFollowers* (number of followers indicated on the profiles) *NbDaysElapsed* (number of days between the date of the last published post and the date of database

construction), and *TweetsPerMonth* (number of tweets divided by the number of months between profile creation and the date of database construction). We check whether our results are biased according to the keyword (digital identity vs. financial inclusion) attached to each project with the variable *KeywordDummy*. Among those projects targeting migrants and poor individuals, 3 are tagged as digital identity and 5 are tagged as financial inclusion, and among those projects targeting “all”, 9 are tagged as digital identity and 13 are tagged as financial inclusion, which makes the odds of a project being tagged as these two factors quite similar. Table 1 provides the other summary statistics considered.

[Insert Table 1 HERE]

We observe that projects targeted at migrant-poor individuals post fewer tweets on average (1,085 vs. 2,177) and have a lower median number of tweets (492 vs. 1,108) compared to those targeting “all”. The average and median number of posts per month is also lower (17.7 vs. 25.9 and 5.5 vs. 16.5 posts per month, respectively, between the two targets). The same applies to the number of followers (however, the standard deviation of the number of followers is important for the “all” target), with an average of 1,445 vs. 45,165 and a median of 510 vs. 4,177 followers. Finally, the “migrants-poor” target exhibits a higher number of days since last post (802 on average vs. 249, with a median of 765 vs. 69, respectively) compared to the “all” target. Taken together, these results show that blockchain projects targeted at migrant-poor individuals have lower activity on social networks than do those targeting “all”. Interestingly, both targets show a similar history: their average “age” is approximately 67 months, with similar medians, dating the average mushrooming of blockchain projects back to around early 2017.

## 4.2 Test results

In unreported results, we first confirm that the observations are not normally distributed, and thus, we undertake nonparametric tests.

In Table 2, we report the results. We compare projects targeted at “all” with those targeted at “migrants-poor” with respect to the number of followers, numbers of days elapsed since last publication, and number of posts per month. The test indicates that the two groups are significantly different for two of these variables. Blockchain projects for migrants and poor individuals have a lower number of followers and a higher number of days elapsed since the last post compared to those projects targeting “all”. Moreover, the number of Tweets per month do not appear to significantly differ. It can be seen from Table A.1 that many projects targeted at “all” are also likely to have failed.

**Table 2 Rank Sum Test**

<i>target</i>	<i>Tweets Per Month</i>		<i>Nb Followers</i>		<i>Nb Days Elapsed</i>	
	Obs	Rank sum	Obs	Rank sum	Obs	Rank sum
all	22	395	22	369	22	303.5
migrants-poor	8	70	8	96	8	161.5
Combined	30	465	30	465	30	465
Mann-Whitney U	62.0		34.0		53.0	
Wilcoxon W	98.0		70.0		306.0	
z-stat	1.315		2.523		-1.761	
Exact Prob.	0.197		0.009***		0.081*	

Source: Authors. Because the normal approximation may not be precise in a small sample, we use the exact p value. \*\*\* indicates that the target groups differ at the 1% level, \*\* at the 5% level, and \* at the 10% level.

To verify that these results are not driven by a difference in the type of projects as subsumed by their search keywords (focus on “digital identity” vs. “financial inclusion”), we test

whether the groups differ in terms of *KeywordDummy*. Table A.3 shows that this variable does not significantly differ across target groups (there are comparable proportions of keywords in the two target groups). Furthermore, *NbFollowers*, *NbDaysElapsed*, and *TweetsPerMonth* do not differ across keywords. Hence, we believe that our main results are not biased by project orientation.

The above factors lead us to further consider that our main hypothesis—that blockchain projects targeted at migrants and poor individuals fail more often than do those targeted at “all”—cannot be rejected.

#### ***4.3 Consistency check: case study focus***

As a consistency check for the approximation of a project’s failure using social network activity, further research can conduct qualitative analysis of those cases with low activity to assess whether cues concerning their supposed failure can be found. Indeed, a well-functioning project can decide that there is no need for it to have a Twitter page, thus not representing a failure. We conduct such an analysis for the case of the partnership of the Finnish immigration service (Migri) with the FinTech firm Moni, originally designed to provide digital identity and financial inclusion to refugees in Finland. The conclusion is that this project failed, which is consistent with our approximation.

In Table A.1, we see that the Twitter page, started in 2014, shows no news since early May of 2017<sup>6</sup>. Let us, first, recall the project inception and, second, give anecdotal evidence of the failure of the project.

The pilot project was launched in 2015. Migri is in charge of providing digital identity. As the United Nations High Commissioner for Refugees (UNCHR) explained (see De Leo &

Morrow, 2018), blockchain technology consists of writing in a publicly decentralized ledger of the list of past transactions made with “cryptocurrency”. The encrypted and verified identity of a participant is not recorded on a centralized corporate, governmental or institutional website. Thus, the public identity is anonymous due to the cryptographic hashing of private “keys”, which are needed to process a transaction.

Interestingly, the burden of understanding the architecture behind the Migri project is not on the users (refugees) but rather on the FinTech firm (Rayner, 2018). In this project, using Ethereum—a blockchain-backed currency—starts with the (encrypted) identity to provide a simple payment card (in this case, a Mastercard). This approach allows refugees to receive wages and pay bills electronically. In contrast, because transactions are recorded on the blockchain, authorities can monitor where refugees are spending their money (however, this tracking information is anonymized).

Although there was much enthusiastic information (on social networks, in the press or on specialized websites) about this project until 2017-18, there has been far less afterwards. The first Tweets of physical persons mentioning “problems” started in November 2018. Some (nonofficial) websites announced in April 2019 that Moni would be discontinued in November 2019 (The Nomad Today, 2022). Then, in October 2020, Migri warned Moni cardholders that they should withdraw funds and announced that in July 2020, it filed an investigation request with the police regarding the funds remaining on clients’ Moni cards. Finally, in January 2022, Migri announced the following: “On 26 March 2021, the Helsinki Police Department decided not to initiate a criminal investigation because it found that there are no grounds to suspect Moni Nordic of a criminal offence in the matter (...)The Finnish Immigration Service and reception centers do not have access to the Moni card account information. Therefore, we are unable to

return the missing funds (Maahanmuuttovirasto Migrationsverket Finnish Immigration Service, 2022)”. This statement clearly indicates not only the failure of the project but also that missing funds were thus due to migrants<sup>7</sup>.

## 5 Discussion

Our research is a first attempt in its field and has several limitations, the main one of which relates to the coding of our variable *target* because it is the pivotal variable in our analysis. A deeper examination could propose that a third party read the project description, code the target, and compare his or her coding to ours. The information search could also be extended to the whole web. A supplementary problem arises considering that the target could change over time. However, we observe only one case in which coding could become debatable: the Kora project. At its inception in 2017, this project emphasized helping “poor” individuals. Five years later, in 2022, it touts that it helps “businesses”, which would entail an “all” type of coding. However, we code this project as helping “poor” individuals. This choice turns out to not support our hypothesis, as this project has a very active profile. Nevertheless, this situation does not qualitatively change our result. In fact, coding this project as “all” would even strengthen our conclusion. Another limitation of this study concerns the variable *days elapsed*. One could argue that a successful project does not necessarily have to be active on social networks. Nevertheless, we believe that it is very unlikely that a project does not advertise its success at least once or twice per year (*days elapsed* would be inferior to 365), especially when multiple posts were published in the first months after its inception.



Our main conclusion—that blockchain projects that provide digital identity for financial inclusion fail more often when targeted at migrants and poor individuals than when targeted at “all”—requires further explanation.

In line with di Prisco *et al.* (2019), we believe that the low socioeconomic status of the target audience is a key explanation because of a mismatch between the needs of the audience and what blockchain technology can offer. In a related vein, Schuetz and Venkatesh (2020) argued that the success of projects involving “blockchain for poor individuals” in India depend crucially on technology adoption. Relatedly, in computer science, Naik et al. (2022) showed that self-sovereign identity services can suffer attacks because “not all users are capable or trained in their use and therefore in their efficient application”. In short, not only financial literacy but also a minimum level of technological literacy, or simply trust in blockchain technology, is needed.

A final explanation might seem obvious but is often overlooked: blockchain requires electricity, thus leading to a vicious circle: without an ID, it is not easy for individuals to pay energy bills, which would provide them with access to a blockchain that helps them obtain a digital ID. In addition to privacy, another important limitation addressed to cryptocurrencies is that they are very energy-demanding, in a way that could impede their development due to their interaction with carbon dioxide (CO<sub>2</sub>) emissions (Galanti & Yilmaz-Ozsoy, 2022)<sup>8</sup>.

Furthermore, the logic of there being a consensus among most cryptocurrencies involves the existence of a community that will allocate time (rating a credit, certifying something, etc.) and/or central processing unit (CPU) power to control transactions. The fact that there is no such pre-existing community prior to the implementation of a project is probably a strong explanation for its failure.

## Tables

**Table 1 Summary Statistics**

<i>target</i>		<i>Nb Tweets</i>	<i>NbMonth Twt</i>	<i>TweetsPer Month</i>	<i>NbFollowers</i>	<i>NbDays Elapsed</i>
all	N	22	22	22	22	22
	mean	2177.0	67.5	25.9	45165.2	249.5
	standard dev.	3763.0	30.3	25.7	159097.7	371.0
	median	1108.5	62.5	16.5	4177.5	69.5
migrants-poor	N	8	8	8	8	8
	mean	1085.8	67	17.7	1445.3	802.5
	standard dev.	1166.6	15.8	22.1	2131.2	787.0
	median	492.5	63	5.5	510	765.5
Total	N	30	30	30	30	30
	mean	1886.1	67.3	23.7	33506.6	397
	standard dev.	3289.9	27.0	24.7	136810.9	557.7
	median	936	62.5	15	2113	99

Source: Authors. In each cell, the first number is the number of observations, the second is the mean value of the variable, the third is the standard deviation, and the fourth is the median.

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## Appendices / Online Appendices: Supplementary Information, not to be included in the paper

### Table A.1 Social network activity of blockchain projects

Name	Target	Tweeter Page	start date on tweeter	nb Tweets	Nb months Twt	Tweets Per Month	Tweets per week	Intensity of Tweets	nb followers Twt	Month accessed Twt	Day accessed Twt	days Elapsed Since Last Post	FB page	start date FB	nb Months FB	nb followers FB	Month accessed FB	day accessed FB	days elapsed since last post	Dummy (DI=1; FI=2)
Abt Associates (project with Papua New	all	yes	01/04/2009	17900	161	111,2	27,8	Adequate	14996	Sep-22	12/09/22	0	no							1
Arcadia Blockchain Technologies	migrants	yes	01/06/2018	3309	51	64,9	16,2	Low	521	Sep-22	16/09/22	3	yes	04/07/19	38	133	Sep-22	16/09/22	1030	2
BanQu	poor	yes	01/01/2016	2127	80	26,6	6,6	Very low	2534	Sep-22	11/09/22	85	yes			9200	Sep-22	11/09/22	530	1
Blockchain HELIX	all	yes	01/04/2016	1167	77	15,2	3,8	Very low	1323	Sep-22	11/09/22	8	no							1
BrightID	all	yes	01/05/2018	783	52	15,1	3,8	Very low	386	Sep-22	09/09/22	1	no							1
Change Bank	all	yes	01/05/2016	679	76	8,9	2,2	Very low	10600	Sep-22	16/09/22	44	yes	07/12/19	38	256	Sep-22	16/09/22	340	2
Coins.ph	all	yes	01/02/2014	5004	103	48,6	12,1	Very low	41631	Sep-22	15/09/22	0	yes	Sep-2017	60	100.4B	Sep-22	15/09/22	298	2
Diwala	all	yes	01/05/2017	494	64	7,7	1,9	Very low	806	Sep-22	09/09/22	1	yes	15/05/17	64	1900	Sep-22	09/09/22	1	1
Empowa	all	yes	01/04/2021	1089	17	64,1	16,0	Low	11800	Sep-22	16/09/22	1	yes	12/10/21	11	124	Sep-22	16/09/22	175	2
Ethecal	poor	yes	01/07/2018	111	50	2,2	0,6	quasi Inactiv	153	Sep-22	16/09/22	1204	yes	28/07/18	50	83	Sep-22	16/09/22	1234	2
Ethic Hub	all	yes	01/08/2017	3054	61	50,1	12,5	Very low	9201	Sep-22	16/09/22	3	yes	03/11/17	66	6546	Sep-22	16/09/22	16	2
Finnish Immigration Service & MONI	migrants	yes	01/11/2014	512	94	5,4	1,4	Very low	356	Sep-22	12/09/22	1956	no							1
FinTrux	all	yes	01/08/2017	516	61	8,5	2,1	Very low	3482	Sep-22	13/09/22	1031	yes	19.08.2017	61	1.7B	Sep-22	13/09/22	814	2
Fummi	poor	yes	01/03/2017	153	66	2,3	0,6	quasi Inactiv	383	Sep-22	09/09/22	1598	yes	14/09/17	60	19220	Sep-22	09/09/22	1598	1
Iden3	all	yes	01/06/2018	618	51	12,1	3,0	Very low	2950	Sep-22	11/09/22	592	no							1
Jolocom	all	yes	01/01/2016	2339	80	29,2	7,3	Very low	1692	Sep-22	12/09/22	5	yes			715	Sep-22	12/09/22	1047	1
Kora network	poor	yes	01/09/2017	308	60	5,1	1,3	Very low	6382	Sep-22	13/09/22	4	no							2
Land LayBy Listing	all	no											yes	24/11/17		38698	Sep-22	12/09/22	1089	1
Libra/Diem	all	yes	01/06/2019	161	39	4,1	1,0	Very low	69200	Sep-22	16/09/22	228	yes	31/05/19	40	71687	Sep-22	16/09/22	638	2
Moeda	all	yes	01/03/2017	2207	66	33,4	8,4	Very low	8534	Sep-22	13/09/22	110	yes	21.03.2017	66	70.425	Sep-22	13/09/22	11	2
PayCase	all	yes	01/07/2014	488	98	5,0	1,2	Very low	747	Sep-22	15/09/22	396	yes	01/04/16	77	223	Sep-22	15/09/22	1329	2
Pesabase	all	yes	01/07/2017	1128	62	18,2	4,5	Very low	4873	Sep-22	13/09/22	103	yes	25.08.2017	61	2.1B	Sep-22	13/09/22	3	2
Serto	all	yes	01/01/2021	57	20	2,9	0,7	quasi Inactiv	796	Sep-22	11/09/22	383	no							1
Stellar	all	yes	01/04/2014	4717	101	46,7	11,7	Very low	753063	Sep-22	14/09/22	1	no							2
Tael/Wabi	all	yes	01/07/2017	2115	62	34,1	8,5	Very low	44700	Sep-22	09/09/22	102	no							1
Taaganu	migrants	yes	01/02/2016	473	79	6,0	1,5	Very low	499	Sep-22	14/09/22	1243	no							2
The Digital Reserve	all	yes	01/10/2017	1168	58	20,1	5,0	Very low	301	Sep-22	16/09/22	640	yes	21/10/17	59	224	Sep-22	16/09/22	1010	2
Trustlines	all	yes	01/12/2018	512	45	11,4	2,8	Very low	1320	Sep-22	13/09/22	95	no							2
Uport	all	yes	01/08/2016	1433	73	19,6	4,9	Very low	10996	Sep-22	11/09/22	490	no							1
Uulala	poor	yes	01/01/2018	1694	56	30,3	7,6	Very low	735	Sep-22	15/09/22	327	no							2
Value Instrument	all	no											yes	01/10/18	47	74	Sep-22	15/09/22	1024	2
Waba	all	yes	01/12/2017	267	57	4,7	1,2	Very low	238	Sep-22	16/09/22	1345	no							2

Source : Authors.

*Target* : coded "all" if the project description do not restrict its use to migrants and/or poor populations. Coded "migrants" or "poor" if the project description explicitly restrict its targeted users to those. In the tests those two categories are merged as "migrants-poor". *Twt* stands for tweeter and *FB* for facebook. *NbMonths* is the time elapsed, in months, between the start date, and day of access. The *nb followers* is the number of followers mentioned at the day of access. *Days elapsed since last post* is the time elapsed between the date of the last proprietary post published (not only a "re-tweet" for example), and the day of access. The "nb of posts" is not publicly available on FB. *Tweets per months* is *nb tweets* divided by *Nb months twt*. *Dummy* is 1 if the project was tagged as Digital Identity (DI) and by 2 if it was tagged as Financial Inclusion (FI) on positiveblockchain.io.



**Table A.2 Project description**

Name	Short Description
Abt Associates (project Papua New G)	An MOU with the Central Bank of Papua New Guinea to pilot blockchain-based efforts to establish and confirm identify and improve financial inclusion in Papua New Guinea
Arcadia Blockchain Technologies	Our software enables NGOs and aid organizations to offer peer-to-peer financial services to refugees and other marginalized communities.
BanQu	The first Economic Identity technology that enables a secure and immutable platform for creating economic opportunity for everyone, focusing on economic identities and extreme poverty
Blockchain HELIX	Helix id is a Digital Identity ecosystem for individuals and corporates to overcome the trustless society
BrightID	An identity network with a mission to bring the benefits of being verified as a unique person to everyone
Change Bank	A new age financial proposition for individuals with high financial ambitions.
Coins.ph	A mobile wallet that allows you to pay bills, buy load, send money and more - no bank account or credit card needed.
Diwala	A digital economy platform powered by blockchain that enables people to actively build their identity & skills.
Empowa	The platform to enable African communities to improve living conditions and create wealth, initially through property
Ethecal	An ecosystem based upon blockchain technology and smart contracts to financially empower individuals to break the cycle of poverty.
Ethic Hub	Crowdlending with social impact
Finnish Immigration Service & MONI	The Finnish Immigration Service has been giving asylum seekers who don't have bank accounts prepaid Mastercards instead of the traditional cash disbursements, and today the program has several thousand active cardholders. Developed by the Helsinki-based startup MONI, the card is also linked to a unique digital identity stored on a blockchain, the same technology that underpins the digital currency Bitcoin
FinTrux	Smart financial and business solutions to foster SME growth, built on the blockchain
Fummi	A digital blockchain platform with Smart ID and Alternative Financial Services for homeless people
Iden3	A technology anybody can create as many blockchain-based identities as he wants. Anything can have its own identity: a person, an entity, an organization, a bot, an asset,...
Jolocom	A decentralized system for creating and sharing digital identity
Kora network	An online cross-border payments solution that leverages cutting edge technology including Blockchain settlement to lower the cost of remittance while increasing the speed of individual and business payments into and within Africa.
Land LayBy Listing	Leveraging on the blockchain technology, Land LayBy is building Land LayBy Listing; a trusted shared distributed ledger for recording land buying and selling transactions that can never be altered, corrupted, forged or replicated in error.

**Table A.2 (continued)**

Libra/Diem	The mission for Libra is a simple global currency and financial infrastructure that empowers billions of people. Moving money around the world should be as easy and cheap as sending a text message. No matter where you live, what you do, or how much you earn.
Moeda	A cooperative banking-as-a-service fintech powered by blockchain, built for everyone
PayCase	A mobile-first universal banking platform that leverages bitcoin & blockchain technology
Pesabase	A remittance, payment and banking e-wallet solution that uses the OmiseGo blockchain to provide financial simplification and inclusion in Africa.
Serto	
Stellar	A free, open-source network that lets anyone build low-cost financial products for their community, connecting banks, payments systems, and people
Tael (WABI token)	The first fair reward for consumer contributions, in an ecosystem of safe and authentic products
Taqanu	A globally accessible, secure and self-owned digital identity platform for refugees and people without an address
The Digital Reserve	A P2P payment and lending network that leverages Denarii – a specialized cryptocurrency designed to meet the needs of everyday people
Trustlines	Aims to promote financial & economic inclusion of all people through decentralized and open source systems
Uport	A self-sovereign identity and user-centric data platform built on Ethereum: the keys to the digital world you've always wanted.
Uulala	Empowers the underbanked communities of the world by providing access to the financial tools they need and the entertainment they desire.
Value Instrument	We provide a meta-tool, for designing and deploying your own complementary cryptocurrency, which can even include a basic income for each of your community members. The mechanism we designed is one supported implementation. It's down to your community to choose the settings.
Waba	A decentralized open platform that hosts and connects economic hubs in which money and market are governed by the communities

*Note. The "short description" is self-reported by projects, and is provided by positiveblockchain.io*

**Table A.3 Tests for the “keyword” dummy**

<i>Keyword Dummy</i>	<i>Tweets Per Month</i>		<i>Nb Followers</i>		<i>Nb Days Elapsed</i>	
	Obs	Rank sum	Obs	Rank sum	Obs	Rank sum
Digital Identity	12	181	12	178	12	187
Financial Inclusion	18	284	18	287	18	278
Combined	30	465	30	465	30	465
Mann-Whitney U	103.0		100.0		107.0	
Wilcoxon W	181.0		178.0		278.0	
z-stat	-0.212		-0.339		-0.042	
Exact Prob.	0.882		0.735		0.966	

Source: Authors. Because the normal approximation may not be precise in a small sample, we use the exact p value. \*\*\* indicates that the target groups differ at the 1% level, \*\* at the 5% level, and \* at the 10% level.

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<sup>1</sup> There are relations among the notions of money, access to credit, and record-keeping. See Kocherlakota (1998) and Luther and Olson (2015).

<sup>2</sup> Although they differ in some aspects (in particular, a refugee may not necessarily be poor), in this article, we treat populations as having a common characteristic: being financially excluded notably because of identity problems.

<sup>3</sup> As evoked in a previous note (<sup>2</sup>), as currencies are anonymous (as has traditionally been said, goods and services must be delivered to the bearer, regardless of who he or she is, of currencies on demand), it is difficult to signal a “good” track record of credit and transactions payments to a third party when using cash only. In other words, it is difficult to prove “who you are” in financial terms.

<sup>4</sup> Initially, there are two categories, but as the data description table shows, there are not enough projects in each category to perform robust statistical tests. We then merge these projects and call their target “migrants-poor” and, sometimes, “migrants” for short.

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<sup>5</sup> Results for Facebook present qualitatively similar results and are available as Supplementary Information upon request from authors.

<sup>6</sup> Moreover, 1,956 days had elapsed until the day of access in September 2022.

<sup>7</sup> Further inquiry should be conducted to understand what happened, most notably by translating Finnish documents. We use only documents originally available in English.

<sup>8</sup> However, cryptocurrencies based on proof of stake, like Ethereum since September 2022, are touted to be less energy-demanding than those based on proof of work (see Morabito, 2017), like Bitcoin or Ethereum before the “merge” in September 2022.