



Day 2, Session 5 - Keynote Address: Financial Inclusion and Women: The Challenges, The Opportunities

Dr. Jennifer Riria, Group CEO, Kenya Women

Good afternoon, everyone. Good afternoon. The Chairman of MasterCard, other board members, all protocols observed. Thank you for having me this afternoon and thank you for not treating me as Roger was treated, to have one person sitting in front of him for him to deliver a speech.

This is a very unique afternoon because as one of the few times that I have a chance to tell the story of financial inclusion, exclusively for women. I'm saying that because the journey of women's travel to financial inclusion is different.

I begin with a story of where all of this started. It was started in 1975 at the UN Conference for Women, in Mexico. Ela Bhatt, from India, who was the founder of SEWA Bank. Most of you must know SEWA Bank. And, she was the founder of Worker's Movement in India. Michaela Walsh, the founder and the first president of Women's World Banking, which houses institutions that focus on women's empowerment and inclusion. Margaret Cruz from CARI, Dominican Republic. Masindas Caneida (*sp.*) from Dominican Republic, as well. Pennys Nyda (*sp.*) who was then the beginning of Women's Bureau in Kenya. Judith Cruz from Philippines. And alongside it, years later, the Nobel Prize winner, Muhammed Yunis, my friend, joined the journey.

They sat, excluding Muhammed Yunis, he wasn't there. But, those women I've mentioned sat in Mexico one evening and they said, listen, what we need to have out of this conference, and they said, well, we do need to see women own not only money, but assets. Not owning them but controlling them, but using that money for their families, yes, but for themselves as well. This is the passion that I didn't hear in this room from yesterday. And what it meant was, what these people meant was, they wanted to provide access to financial services. And, financial services means access to banks, access to banking services, access to savings and control. The word is *control*. And also, access to all resources that women require to transform their lives, their families, and enhance their prosperity. That is a word that this room needs to use more - prosperity for women.

So, these women went back to their countries. In Kenya, Mary Okelo. The late Esther Ocloo from Ghana. So, you can see the world was covered from then. So, it's a long walk and I would like you to imagine people walking in a village and people joining the journey as they went on. And now, you have joined that journey.

They went back to their homes. They went back to their countries. Yes, SEWA Bank moved on. Kenya Women began, as well, on a woman's desk, Mary Okelo. And, for years it struggled. When I joined Kenya Women in 1992 on the struggle, the question was, what do we want to do? We want to have women in the banking halls. That was my answer. And so, I tried to attempt to do that. I walked into one bank and the manager was shocked that I'm looking for two million Kenya shillings. That's how many dollars? Twenty thousand dollars, I think, to start lending to the women so that we can have a track record to show to partners that we are credit worthy. And, the banker looked at me in the eye and said, "Jennifer, do you want to tell me, you want your women with their baskets on their backs to crowd my counters?" Sounds funny now. Very hard thing and insulting then, and I cried. That is the definition of exclusion.

Kenya Women began. When I joined Kenya Women ten years later after the fact, because I'm moving fast forward, I found an institution that was closing doors. Because, to begin with, for ten years, women are struggling with governments, with culture, with patriarchy, to put a foot into the financial sector. And, these are women who are also fighting patriarchy in their own lives as professionals. So, they're trying to come up in their business and so forth and so. And, they're trying to set up an institution that is going to serve women and bring them in the fold of the financial sector. Difficult to do. Challenge number one.

So, fast forward. Those are challenges and challenges enable you to innovate. I joined the institution closing doors in 1992. Currently, that institution had six staff. A driver, a secretary. One person was supposed to run around and somebody else was supposed to be doing something else that's not known. Six people. Currently, Kenya Women Microfinance Bank employs 3,000 staff. It's one of the largest employers, and voted the best employer over the last four years. We earned only this base by 1992, only for eight loans. We were very proud of them. Currently, we are working with close to a million women, one-twenty thousand of them with loans. We only had one product, credit. We didn't have any other products. Currently, we have loans, we have bank accounts, we have savings accounts, insurance. We have what we call life-saving products. We have water and sanitation. We have house products and many others that I can't enumerate here.

The journey has not been easy. Exclusion and fighting poverty requires changing minds. Not only changing minds, also commitment and passion. Governments are paid lip service. And so, going back to the other institutions that I mentioned. Women's World Banking, we have been the Chair for the last five years and served on the Board for 22 years. Connected, partnered with that three institutions that serve low-income women in different countries, in 29 countries in the world. Ela Bhatt, in SEWA, proceeded to include women in savings and loans and housing, in India. Anderpem (*sp.*), which is a bank now, like, Kenya Women, through transformation, a different story for another day, continued. CARI continued. Ghana continued. Nigeria, we have an affiliate

in Nigeria. We have an affiliate in Botswana. We have an affiliate in Bujumbura. They continued in spite of all those efforts. Women's World Banking has been able not only to reach 25 million women, out of the 1.1 billion women excluded. World Bank numbers show 2.2 billion people in the world are excluded today. 1.1 are women. The results are major. It means there is still a very serious discrepancy in provision of services. Even those of us who are serving women, we still have a long way to go.

Now, one of the interesting things that has come forward is that we have learned, going along, is, opening an account and it was interesting listening to all of you. All you are doing is trying to get people in the door, which is very good. But, you need to go deeper and talk about maintenance of those accounts you are opening.

Example from Kenya Women. We have 1.1 million accounts. Out of those, 400 are dormant. We really ought to address the issue of not only entrance into the financial inclusion, retention in there that is banked, the under-banked, and the unbanked. Those three categories must be very seriously addressed. Because they require different interventions themselves. I would have loved to hear who is dealing with dormant accounts, because it's important.

We also need to deal with the gender gap. Once again, Findex data. In 2011, 46% of men were using bank accounts, had a bank account, opened a bank account. Only 37% of women, globally, had an account. Nine percent gender gap. That gender gap does not indicate how many are under-banked, how many dropped off who were counted. This is a very serious issue. And, if we are serious, we need to delve into this. 2014 issues are not changed, either. They have improved. We have improved. We are improving. That, we must recognize. Fifty-five percent of men, 59% of men, who are using bank accounts. Only 50% of women. Another nine percent. It seems we are improving, but there is still work to be done.

What did we, as Kenya Women find out, and which applies to everybody in terms of what is happening? The irrelevant institutions that deliver services to women. Irrelevant. And they use data that is not conclusive on gender, you know, segregated. So, what you innovate on...you know, we are talking about financial inclusion. We have percentages of who we have included but the data is very inconclusive and the data does not touch on the salient features of that. Women are denied access, and this, you know. They are denied hours and denied access. Even at my age and level, a bank can deny me access because they don't think that I'm capable of paying it. I don't have land, and so forth and so on.

Women do opt out. Financial inclusion, again. Women do opt out to keep peace within the family. From where we come from, I'm not sure if it's different from America. I'm not sure it's...you know, to keep peace within the family.

Regulatory costs have also made it very difficult for some...regulator was here and I heard good things from Rwanda. I think I'm going to move to Rwanda and live here. [Laughter] Seriously, I'm not joking about this one. We call it financial injustice. I think that is what it should be called. Somebody attacked me recently when I called it financial injustice in Kenya. It's unjust to deny a

woman a loan because she doesn't have collateral. And because that data does not show you that this woman, Jennifer, can repay although there are other qualities that I have that are not financial that you cannot quantify.

And, I need to quickly move to what we need to do, because I can see Roger looking at me. [Laughter] You know, the most hurt in all this financial inclusion we are talking about is the 90% of women that Kenya Women and other women that microfinance institutions serve. They live in rural areas. They live on farmlands, that they own...that they don't own, but they can work on. They don't control resources when they come out of that cow. You talked about the cow for man in the evening and for...a woman doesn't have control of that cow. Unless the innovation you have made ensures that that cow actually is a woman's cow. And that is going to change from culture to culture. It's very important to find out what is it doing to the women...what is financial inclusion in agriculture where the majority of women are living, when they don't own land, when they don't have land rights. We need to think about that.

The lip service from governments. Lip service. I'm very impressed with Rwanda. I'm coming here. [Laughter] A government that says I'm doing this for women and it follows through. Okay? Recently I attended an African Development Bank meeting. Three billion U.S. was put aside for women empowerment and inclusion. That money is going to go through governments. That money will never be received by one woman. And, I told them so. And, I'm telling you so. When you put money through governments, it's okay, I love governments. But, I think you need to think twice. For women it's very important. Because it's going to go to pockets that are only accessible to men. And, I like men too, but I have to say this.

So, what do we need to do? I'm going to suggest a very radical suggestion that I didn't hear anybody talk about in this room. One of the things I'm going to suggest is that you work through organizations that focus on women - and, I'm not saying you exclude men - that have got a real agenda for women within their portfolio. That way you are able to reach the majority. Or change all the institutions that you are working for. Influence them to be able to have an agenda within their portfolio for women, specifically.

Technology for women requires different approaches. At Kenya Women, we give women a phone for them to have a headset so that she can be able to use modern technology. But, if you don't have that in your mind and in your portfolio, it will never happen. I want to speak very seriously about, after working with women-focussed institutions who have got an agenda for women, then there is need for partnerships. Very serious partnerships. And, I'm talking about equal working partners. I say it with all humbleness, if you're going to reach women, partnerships must be sensitive, must look at each other as equals and appreciate each other as equals. Otherwise, it's not going to work. Partners that understand that the knowledge that is required to cause innovation comes from the women themselves. It's very important.

I've suggested before that to partner, in this room, as a microfinance practitioner, I can partner with any of you. ANY. For your efficiency, for achieving milestones, look for a microfinance near you and partner with them. There is a way. Microfinance institutions have found a way of putting

little money in poor people's hands and they have transformed their own lives. You can't transform a life of anyone. They transform themselves. Work with those who have known how to transform them. Yes, I'm campaigning for microfinance so don't worry about that. They have found a way of accessing client's needs and translating them to products. Trust and try and do that. Collaborate with them. It's important.

On a policy level, it is important to work with governments. If you know what is happening in Kenya now, somebody mentioned it yesterday, the capping of interest rates is going to hurt women more than it can hurt anyone else. Why? There are areas that, for example, Kenya Women works and those branches are not profitable. But, we don't, as long as we are reaching women we said that loss, we are going to absorb it in the branches that are making money. So, our level, our focus is not...it's breaking even, yes? To keep in the market. But, it's not making money. I have heard several of you asking each other here, do you make money with that initiative? And, somebody said, 'no.' It should be the other way. Are you reaching women with that initiative? That's what I missed here yesterday and today.

As we go forward, then, what are the disrupters as we go on? Technology is going to be a big disrupter and we need to focus on that because that is where we are going to go. But, I'm saying in working with women, it's very important for us to know how we make sure they are not left behind. Because, I really would like next year to hear you say, 'this number of women have improved their businesses because...and their welfare.'

The other thing I think we need to look at as we go forward, we need to begin using the word 'prosperity.' It's okay to include but it's...and it's prosperity within that. We also need to look at the data. A lot of discussion has gone around data. Let's not collect data to answer our own visions. Data is as good as it is used for what you want to use it for. Let's hear the passion of using data to reach women. I haven't heard that passion here. And, policy change. We need to discuss a little about policy change. Policies that affect provision for women.

Going forward, ladies and gentleman, I'm coming to a conclusion of what I'm saying. You need to think a little bit more about what you mean in your own initiatives when you talk about inclusion for women. It requires going a level below where you are. You are doing very well, but can we go a level below and find out what exactly it means? Let's be serious about including women. Not just inclusion. Not just driving our businesses for profitability. We have never stopped at Kenya Women because we don't talk about profit. We love breaking even. But we love to see the client's businesses grow. You need to show they are growing. You need to show...women should come to you and tell you, yes, because they come to me and say, "I'm wearing a better dress now. We eat better in my family." That's the level we need to go in terms of inclusion.

Thank you, ladies and gentlemen. *[Applause]*

Roger Morier:

I was looking at you because I was admiring you. Yeah. So, Dr. Riria has had a slightly shorter speech than you might have expected because she wanted to allow a large amount of time for questions from the audience. She would be very happy to answer your questions. I'm sure there are a lot of people who would like to ask her a little bit more about what she was talking about. So, are there any questions in the audience?

Participant:

My name is (???). I am with Opportunity Bank, Uganda. Doctor, I have recently moved from Rwanda where I was running the largest microfinance bank. The first and the largest microfinance bank here.

Now, it started off as a bank for women but the payoff line now is a bank for all. Now, we discovered when we went to visit customers that you would go to a group meeting and you would find 50 women and four men. And, you know, you start enquiring and the men would tell you that they are there representing their wives. When we probed further, we actually discovered that there were a lot of men that were borrowing...they are using their wives to borrow. They actually wanted the loans themselves but they used their wives to borrow for them.

So, the question I have is, as you say that you set up this institution for women, did you have a similar challenge where you would find that men are actually fronting their wives in order to access financial services? And, how did you address that?

Dr. Jennifer Riria:

Yes. We found this as a challenge. We continue to find it as a challenge. You remember what I've just said, that in Onset (*sp.*), from where we come from, land belongs to the man. Cow belongs to the man. You belong to the man, as a woman. [*Laughter*] Truth be told. Now, to unravel that is not very easy. At Kenya Women, we found that was true. It was compounded by the constitution that says you can't lend to men alone. Before we had locked men out completely. So, now men come in. But, along the way, in the mid-'70s, we realized we need to change the language and say, this business, the businesses that women are holding, are family businesses. They are not women businesses. It's family business. And we encourage the men to participate actively in those businesses. So that even if the women borrow and give them, it is used for the purpose that we want it to be used. And then, we work with the women to say okay, you have brought your husband on board. The rule is you are 50% owner of this business, or more. We encourage the men to do that. So, that worked.

The other thing we did was to make sure that when we became a bank, the banks are designed for women, the banking halls. A woman can come and sit and breastfeed the baby and change the baby. Men become uncomfortable and they leave. Now, the challenge really comes to when men make their wives borrow for them and they take it away. That's a real challenge but it has

to be addressed through financial education to show the woman...we tell women, we don't borrow money to you because you are beautiful or because you are tall or because you are nice. We borrow money to your business. So, you have to put it in the business. And, we make sure that the analysis of where that money is going to, is understood by the client and is understood by us. So, that even if the money is borrowed for the man, we know the business is a family business. It's a challenge, it will continue. I think the only way that it can be handled is making the man come along to support the business for the family.

Roger Morier:

Keep it up. Other questions.

Gloria Adutwamwaa-Frempong, Millicom Ghana:

Mine is a comment and a question in a way. I've been following the evolution of financial inclusion and I realize that we started from a point where most of our advertisements and marketing mainly had men in them. And so, that contributes to the exclusion of women. And, I must comment MasterCard, for example. I've been following the details on your website and the images there most of the time, I see women, which is good. So, now we feel a part of financial inclusion. So, my comment is, as much as possible in our advertisements and explanation and marketing, we should include images of women so that we can resonate with it. But, if it's more like a man thing, then most of the time the less-educated women feel left out. For example, in Ghana, a bank has an advertisement for their institution and they show, for example, where a woman visited the bank and had her baby crying. And, the managing director of the bank came to the baby and then handled the baby for the woman to continue banking. I felt so touched. That way, if I'm less educated and less privileged, I feel a part of the financial agenda.

So, my question to you is, have you seen that change in terms of advertisements and communication geared towards women from the various financial institutions in Kenya, since you started this agenda? Thank you.

Dr. Jennifer Riria:

For me, my experience in many places is the other way. Where the institutions focussed on women only and they were taken for granted. When it becomes a woman thing, and there's, 'oh, that's for women? Oh, okay.' That, I've seen. Of change right now is that the mindset now is to say, for example, at Women's World Banking, we work with institutions, as I said, that have got an agenda for women in their strategy. Whether they are focussing both on men, on women, or women, there has to be a gender balance.

At Kenya Woman, the law does not allow us to work with women only, so we opened the doors until the men come. Do you want to join the women when they are breastfeeding, then just come. You know, and I think also, let me add, the businesses that we have convinced men of the home to work with the mother of the home have flourished faster than when the women are

working on their own. So, there's a lesson right there that you can't exclude. Exclusion does not only refer to the men, it refers also to the women and men. So, we need to find a balance where we can get a family to work together for win-win.

Participant:

Thank you so much for the topic. It's my favourite topic and thank you so much for your vibrancy and enthusiasm.

I have a question about technology. There is a common knowledge that, or thinking, that technology is gender-neutral, but we know that it's not. And, I was hoping you could elaborate on the ways in which technology is gendered and ways in which providers can address that when they're using technology to reach their clients. Thank you.

Dr. Jennifer Riria:

Let me say technology is not technology for technology's sake. It's not technology because Microsoft has developed a product. You need to find out what the women need to do with their technology. What I do with my technology is not what my aunt does with her technology. It's not what my grandmother will do with the technology. You have to find out what exactly do they want. Is it saving? If it's saving, give them a saving product that they can understand. Stop loading it with what's up, and these other things that I don't even use myself.

The other thing is, in Kenya Women we have discovered a lot of women do not even have their own old hand set. Many of those we work with are in rural areas. There is one phone that belongs to the principal of the home and that will be either a husband or a brother. There's a village, and I wouldn't mention which, because there are Kenyans here that would report me. There's a village where there was one phone for the village and it stayed with the chief.

So, when you are providing technology...and, I think technology is very important. But, when you are providing technology, you must address that need. At Kenya Women, we give them a phone as a loan and teach them how to use it, and encourage them to be very uncooperative in lending their phones so that they can keep them. So, be selfish with your phone. And, they are selfish with their phones. So, technological advancements must address access to technology, as well. So, also you are dealing with places where we work from, where infrastructure is still growing. Growing? Yes, it's growing. But it's just not reaching them. So, there are complications in terms of technology. There's a level of women that you reach, obviously. Me and you, like us in Kenya. But, at their level, it will not reach. Not now, but in the future I see it as a disrupter.

Roger Morier:

All right. We have time for a couple more.

Monique Nsanzabaganwa, Vice President, Central Bank of Rwanda:

I have a comment and a question. The comment is on the family business versus women business, husband or brother or whatever. I liked the insight you gave about really marketing or changing the rhetoric about that whole issue. Recently, we've been working at the Central Bank on a project of collecting automated, searching from financial institutions, data that is gender desegregated, or sex desegregated, or whatever you prefer. And, one critical issue was, what if...how do we tell that this loan went to the woman or to their family? Because you have here a system whereby you own 50% of your property, if it's land or whatever. So, there was that issue of how do we know that if these loans went to the women, then it's only that proportion that really went to support women. And, it's a big issue. I think we are going to look into that and probably change the methodology of how we collect this data, to really not really make matters worse. I think it's an insight to that. And, I will come for more to discuss the details of how we can do it.

The question I had is through my other hat as a chairperson of New Faces, New Voices chapter of Rwanda, we wanted to, as women, come up with a women fund to play a role in resolving some of the issues the women face. And, right now, we are struggling with this issue of how do we go about it? Do we use the fund to do a micro-fund loan? Or do we do a fund to invest and resolve issues through partnerships with existing microfinance institutions and banks. So, here is a direct model and an indirect model. So, I wanted to tap into your vast experience, what would you recommend for a fund like that one to be of relevance in the market?

Thank you.

Dr. Jennifer Riria:

Let me begin with a question. I've worked with women fund, we have a woman fund in Kenya. There are women funds all over. Let me warn you. It becomes a token. A token thrown there so that women shut up. There it is. We have a fund for you, use it. First of all, to get it out of the coffers, I don't know about Rwanda, because Rwanda seems to be very fast in doing things. Getting out of the coffers becomes a long story. It becomes, sometimes, the conditionalities on who to lend to and how to lend it. In our case, there was a fund which I began participating in as Kenya Women and sent it back. Borrowed money from a bank to send it back. Because it was more damaging for the institution to continue operating it or not. You are given a loan, you know, you get it, it's 1% from the government for you to borrow and to lend to the women. Concept is beautiful, but it has to be capped at 8% interest rate when the Central Bank rate is 12%. Do you understand what I am saying? I will borrow it. Central Bank rate is 12%, okay? And, I'm supposed to be lending it to be a revolving loan fund. We need to sit down with you and explain to you how destructive that is. So, I realize they can't...I cannot make ends meet. I said, take your fund back.

Now, if you look at how many women require that fund and you have only token fund, the politicians come to you and tell you, 'you must lend in my constituency.' Yeah? So, their conditionality is that goal. This and the fact that it comes from government and it's politically

motivated, becomes very complicated. It does not benefit women. Because if it doesn't, if the institution cannot break even handling it, it's not worth having because you will not be there tomorrow to serve women.

On the loan for family, I think if you change the concept that you are lending to somebody, you are lending to the business, then your policies must focus on, who owns this business? What is the role of each of these partners in the business? Then you are lending to the business. You are not lending to an individual.

Roger Morier:

We have time for one more quick question.

Anne Marie van Swinderen, L-IFT

L-IFT stands for Low Income Financial Transformation. I really appreciate your presentation and strongly agree with women should own assets. Women should have control over assets and businesses. But, I'm worried about the men. To a certain extent, I'm worried about the men being left by the roadside. And just getting more lazy and more negative [*Laughter*] and less cooperative. And shouldn't, you know, what should we do to get them onboard and for them, themselves wanting to contribute to change?

Dr. Jennifer Riria:

Very good question. I hear this question. Everywhere I speak I'm asked this question and I say yes, what we are beginning to see is that the gender roles now are changing. Women are abandoned because the men say, 'you can do it.' So, you can do it so we don't. Make sure you pay school fees, you do the cows, you do the goats, you do the farm, you do everything. And, what does the man do? Don't ask me. There are men here. They can tell you what they do when this is happening. [*Laughter*] But, I really think it's a bad trend. It is...I have worked and worked. I'll still continue working for the rest of my life for women's empowerment. But, we cannot...there has to emerge institutions that begin to work with the men. Beginning from the boy child. Right now, it's really getting to a level that we begin to worry who's going to marry our daughters. Because the men have decided they're aware their path is low and they will walk out and not do anything. I think it's not something we can take for granted and I agree with you, we do need to think about it. But, those institutions that... we still also have a lot of empowerment to do for women and so forth and so on. We need to create role models. You know, men need to create role models. They have left the boys to the women to model. So, that's why you find all of them with earrings and stuff like that, because my boys always see me in earrings, they wear them.

So, I mean, those are very simple examples I'm giving, but they are real examples. That's where this started. So, I'm agreeing with you that we do need to encourage involvement of institutions that focus on men's empowerment. Not masculinity. Gentlemen. [*Applause*]

Roger Morier:

You know, when you asked the question, I thought you were going to reply the way Jean Claude Gaga replied this morning, that the men can be the feeder road onto the highway of women.
[*Laughter*]

All right. Jennifer, fantastic. Thank you very much. Let's have a round of applause for Jennifer, please. [*Applause*]