

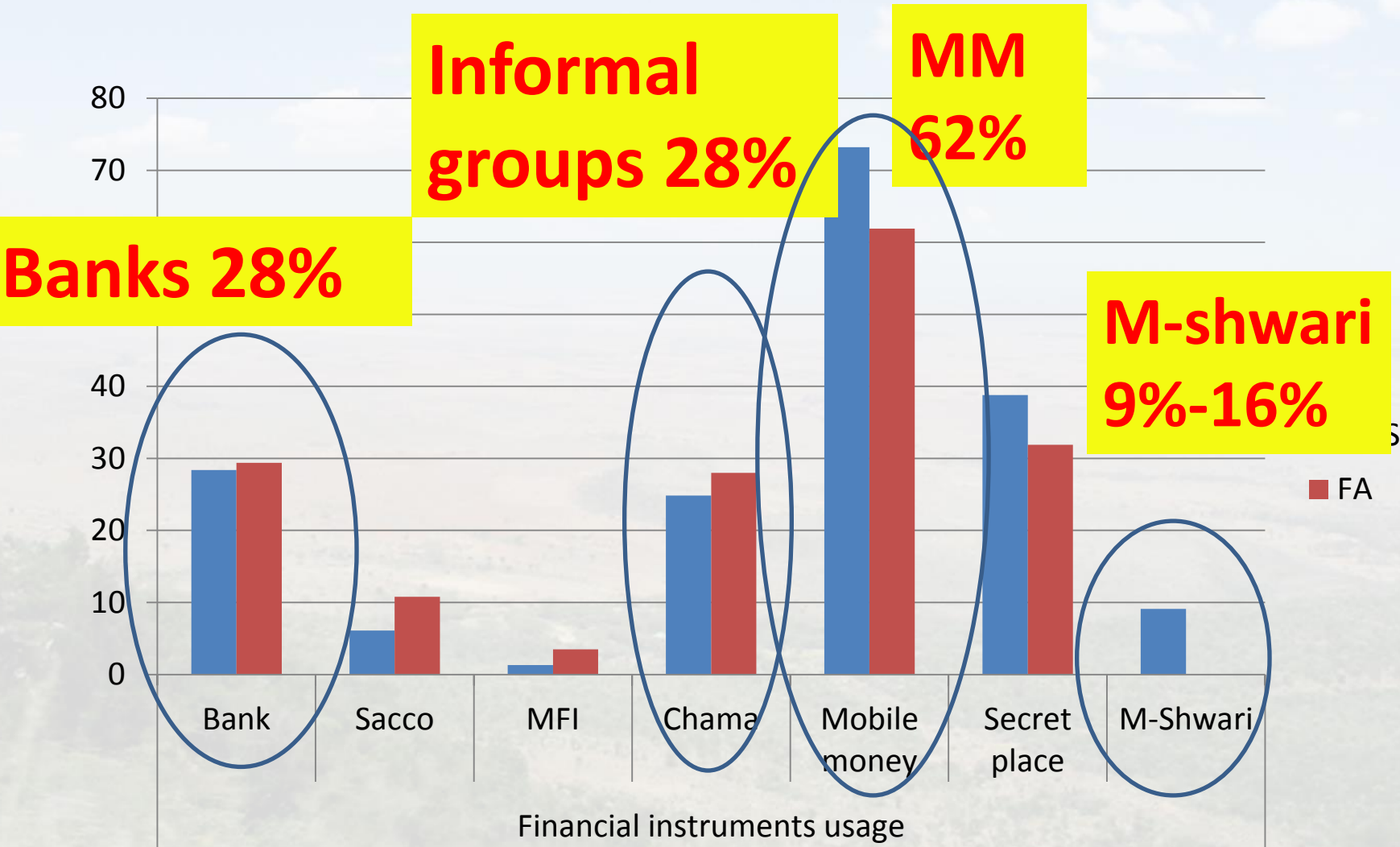


# Relational Financial Repertoires: Explaining Financial Inclusion in Kenya

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# Financial service use 2014



# Mobile money reveals a rift

- Far more than “send money home” - wide range of uses
- With a wide range of people including friends and extended family – siblings, cousins
- MM brings inter-personal informal financial exchanges into view - gifts, ‘help’ and assistance to borrowing
- Borrowing and lending vocabularies:
  - ‘Borrow and pay back’ - the resource focus
  - ‘Ask and assist’ – the relationship focus
- **Reciprocity** – maintenance of relationships for future need
- **Upliftment** – solidarity where one person “boosts” a less well off person
- **Social relationships consolidated:**
  - a relative becomes a ‘real’ friend when he lends without interest
  - A friend can be someone with whom you “share more than even a brother”

# Wellbeing and financial services

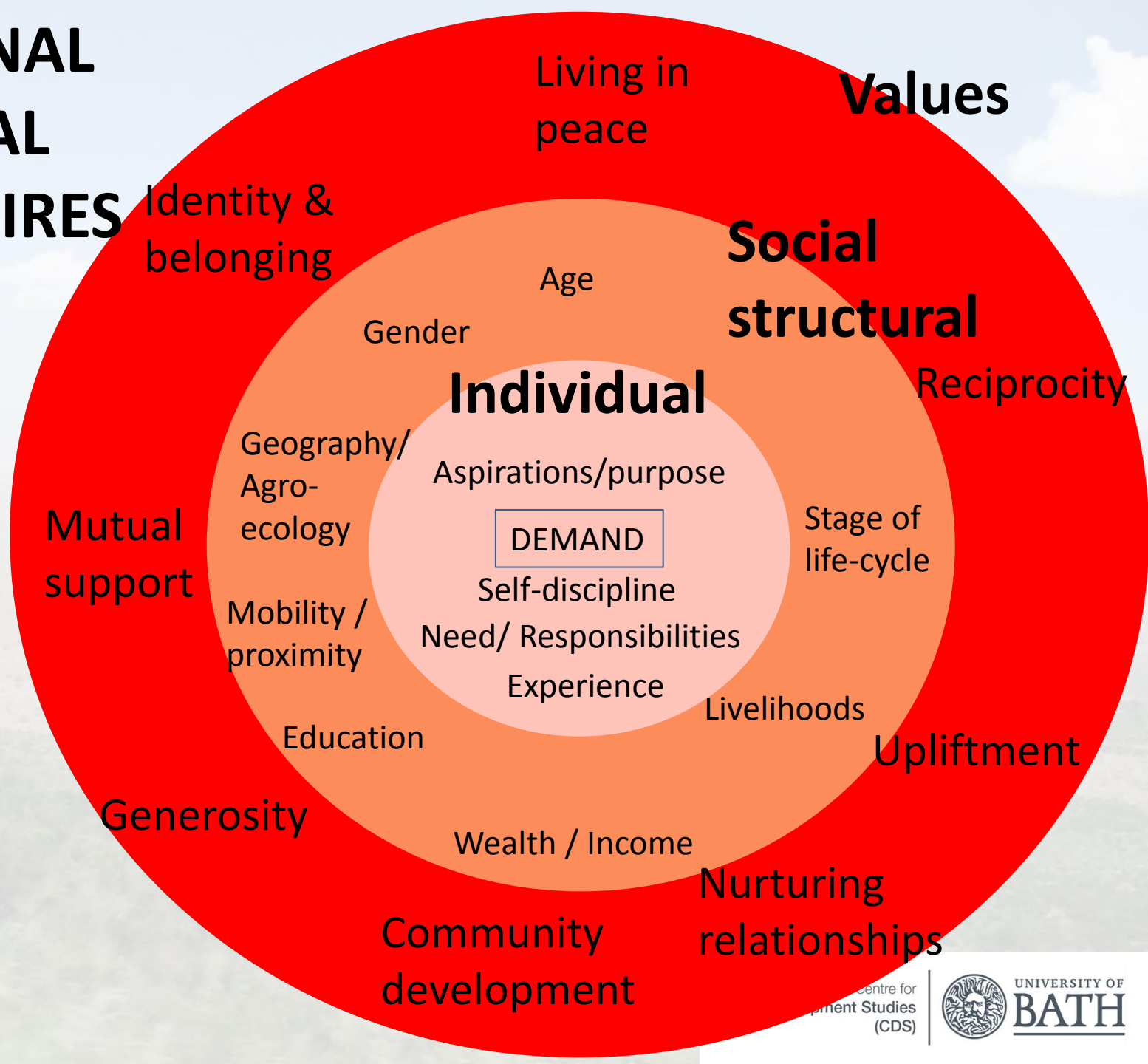
- Wellbeing goals involves economic success for family and household improvement which enables...
- Conforming with social and cultural norms leading to:
  - Identity; self-esteem; social status leading to pride – eg through paying bride price
  - Belonging to a community; feeling understood; being respected; living in peace
  - Collective morality of mutual support and nurturing relationships - identification with a community and its development



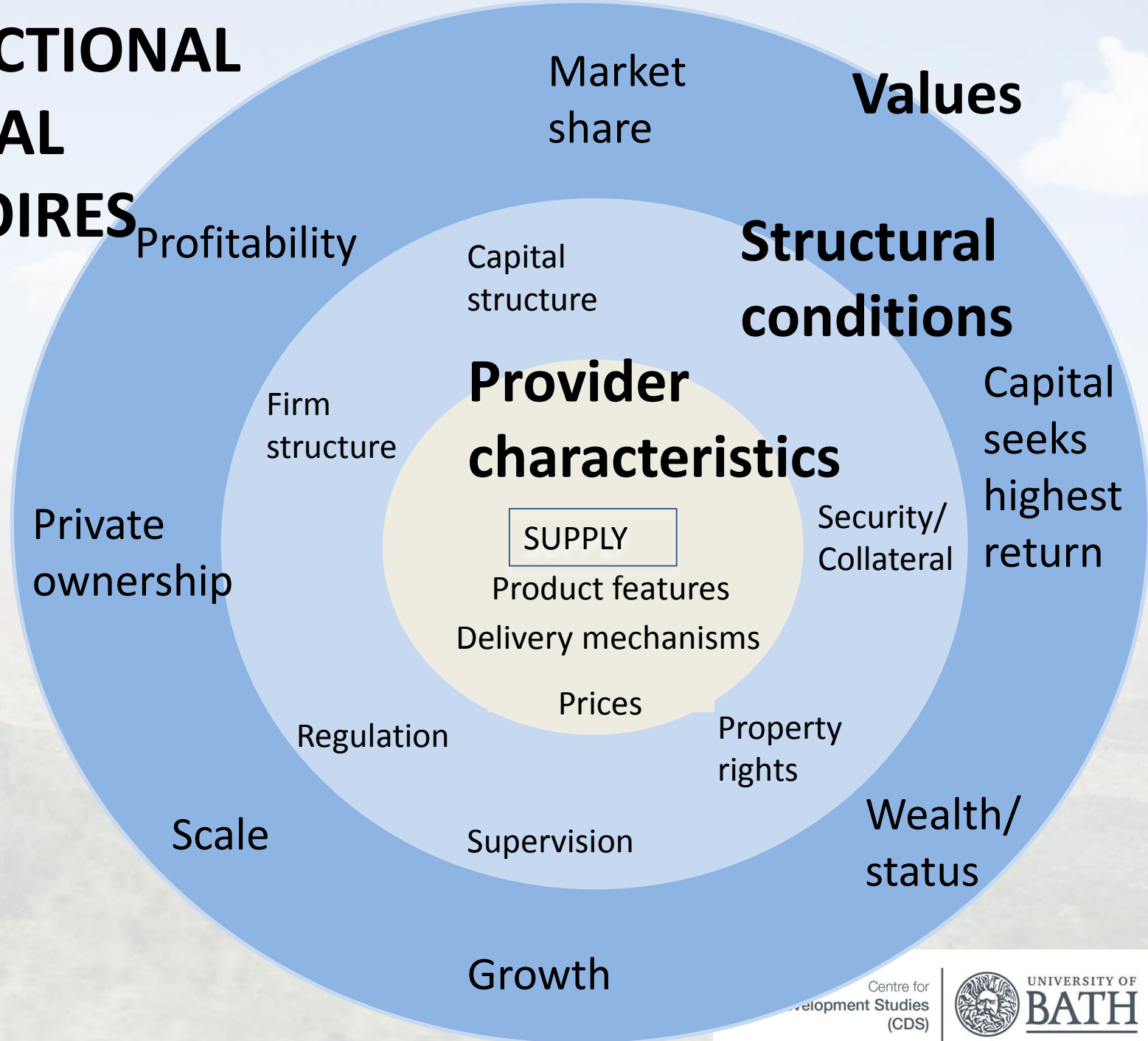
# Managing finance and wellbeing goals

- Support networks: “helping each other out” a strong social and moral norm
  - Socially appropriate to ask for help and is not selfish – recognition that community develops together
  - Receipt of “help” indicates mutual recognition and trust and leads to identity and belonging
- Chamas: motivate saving and planning
  - Sharing of values > recognition of identity and status
  - Morality of sharing, mutual support, participating in other’s development
  - Flexibility and negotiability of resource exchange
- Banks:
  - Safe because at a distance; preserve funds from requests
  - But runs counter to morality of mutual support – individualistic and personal development not directly connected to community
  - Does not improve social networks;
  - Hard to borrow = limited reciprocity
  - Hierarchical – “mountains move!”

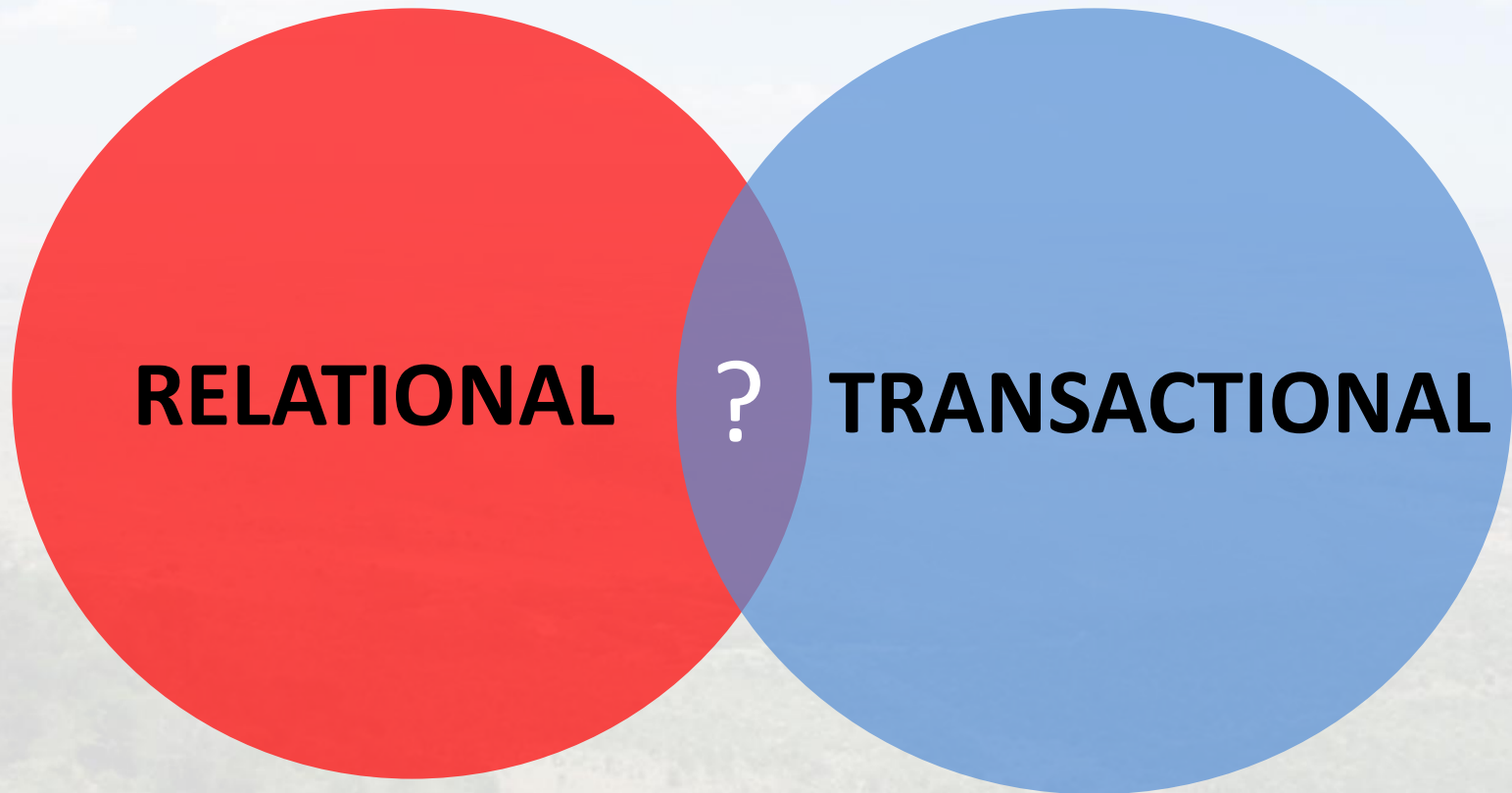
# RELATIONAL FINANCIAL REPERTOIRES



# TRANSACTIONAL FINANCIAL REPERTOIRES



# Expanding inclusion is about expanding space where repertoires overlap





# Values convergence as basis for expanded inclusion

- Equity:
  - Expansion of lending >> reciprocity
  - Investment in wide range of projects >> upliftment
  - Identity with community development eg Mwangi role in Vision 2030
  - “I’m a member” >> identity and belonging
  - Education scholarships >> mutual support
- M-Pesa:
  - Reciprocity, mutual support, upliftment , nurturing relationships
  - Identity with family / village / home place
  - Safaricom has strong national identity > identity and belonging
- M-Shwari: reciprocity of lending offer

# Implications for financial inclusion

- **Wellbeing is enhanced by financial inclusion that enacts relational financial repertoires**
- **Formal providers** must address how their transactional repertoires meet relational repertoires
- **Space for disruptors which can key into these underlying values: P2P; crowdsourcing etc**
- **A new wave of community development finance needed:** use technology eg blockchain to address issues of accountability and transparency in governance

# Relationship or transaction?



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