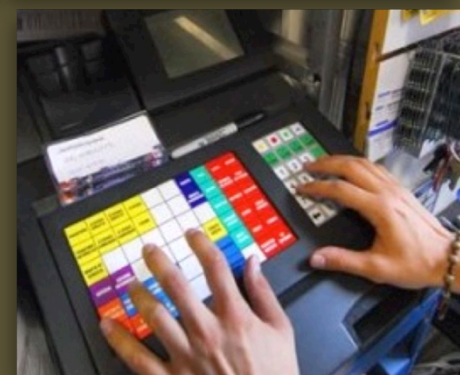


Betting on chance in Colombia

How game network operators
succeed in providing financial
services to the poor while
other networks fall behind



toaca

Value Duality

Chance, a betting game

Less expensive than
lottery

Can be played daily

Poor people bet more

US \$ 1.78 B a year
in betting & gaming

Game networks increase access to services

Remittances Postal

Banking CBs

Reload Energy, phone, TV

Payments Utilities, credit,
state subsidies,
insurance.

**SuRed: 46.000 terminals
and street sellers**

Via: 10.000 terminals

Background

Population

46.93 million

Work

Unemployment

9.9 %

Mobile Phone Lines

46.1 million

Poverty

Informal workers

51.3%

Below poverty line

7.2%

At US \$ 2 a day

15.8%

Despite financial inclusion efforts,
people do more transactions over game networks

Banking

US \$ 7.7 Billion in 4 yrs
Banking correspondents

62.4% adults have bank accounts

Game networks

US \$ 3.8 Billion each year
Domestic Remittances

63% transactions US \$ 50 or less

Methodology

Video-ethnography

Participant observation
In context semi-structured interview

18-24 informal workers and street sellers in public spaces.

Aim

- How do current transaction and financial services fit within their behaviors?
- How can behaviors and values inform the development of new and better services?

Activities

Looking at behavioral patterns in contrasting situations

Identifying values that drive behavior

Transforming values into guidelines for developing services

Context

Displacement

Parental absence

Low education opportunities

Informality "rebusque" (re-search)

Low, unstable income

Unemployment

Vulnerability

Restrictive regulations

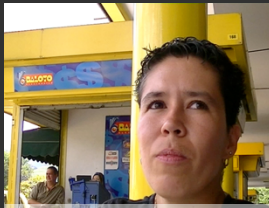
No access to credit

High banking costs

Armed conflict

Territorial dispute
State Vs Illegal groups

Contrasting behaviors



Adapting



Income mixing



Support



Value creation



Displacement



Dependency



Rule bending



Informal agreements



Independency



Group contribution



Organization



Perseverance



Control



Inheritance



Territoriality



Tradition

Emerging patterns

Example 1



A point for multiple services

Values

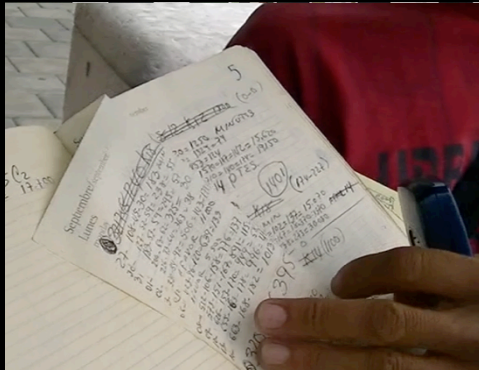
- ✓ Immediacy
- ✓ Simplicity
- ✓ Reassurance
- ✓ Easy access
- ✓ Minimal processing

Parameters

Integration activities under a simpler, common process

Emerging patterns

Example 2



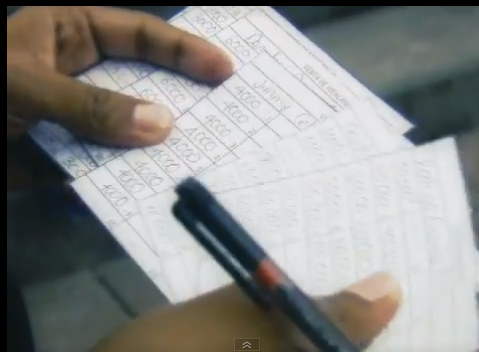
From suppliers



From informal lenders



From value of goods



Payday 20% daily interest

Using alternative paths for finances

Values

- ✓ Immediacy
- ✓ On-site
- ✓ Adapted requirements
- ✓ Focused on sustenance

Parameters

Models that privilege flexibility even at higher costs

Emerging patterns

Example 3



Reloading



Buying only what is needed



Paying per use/time

Short accumulation cycles

Values

- ✓ Easier control
- ✓ Self-regulation
- ✓ Adaptability of use
- ✓ Transparency

Parameters

Income cycles determine usage cycles

Emerging patterns

Example 4



Finds loop holes



Dilates process



Makes agreements



Rejects to leave

Bending rules of Public Space for the right to work

Values

- ✓ Acknowledgement of right to decent work
- ✓ Territorial establishment
- ✓ Access to market

Parameters

Permanence on a site is a sign of stability

Emerging patterns

Example 5

Public Space as an intangible asset

Values

- ✓ Profit potential of place
- ✓ Ability to work towards right of use

Parameters

Acknowledgement of "informal assets" earned through work



Values place at US \$2.500



Inherited "place" from son

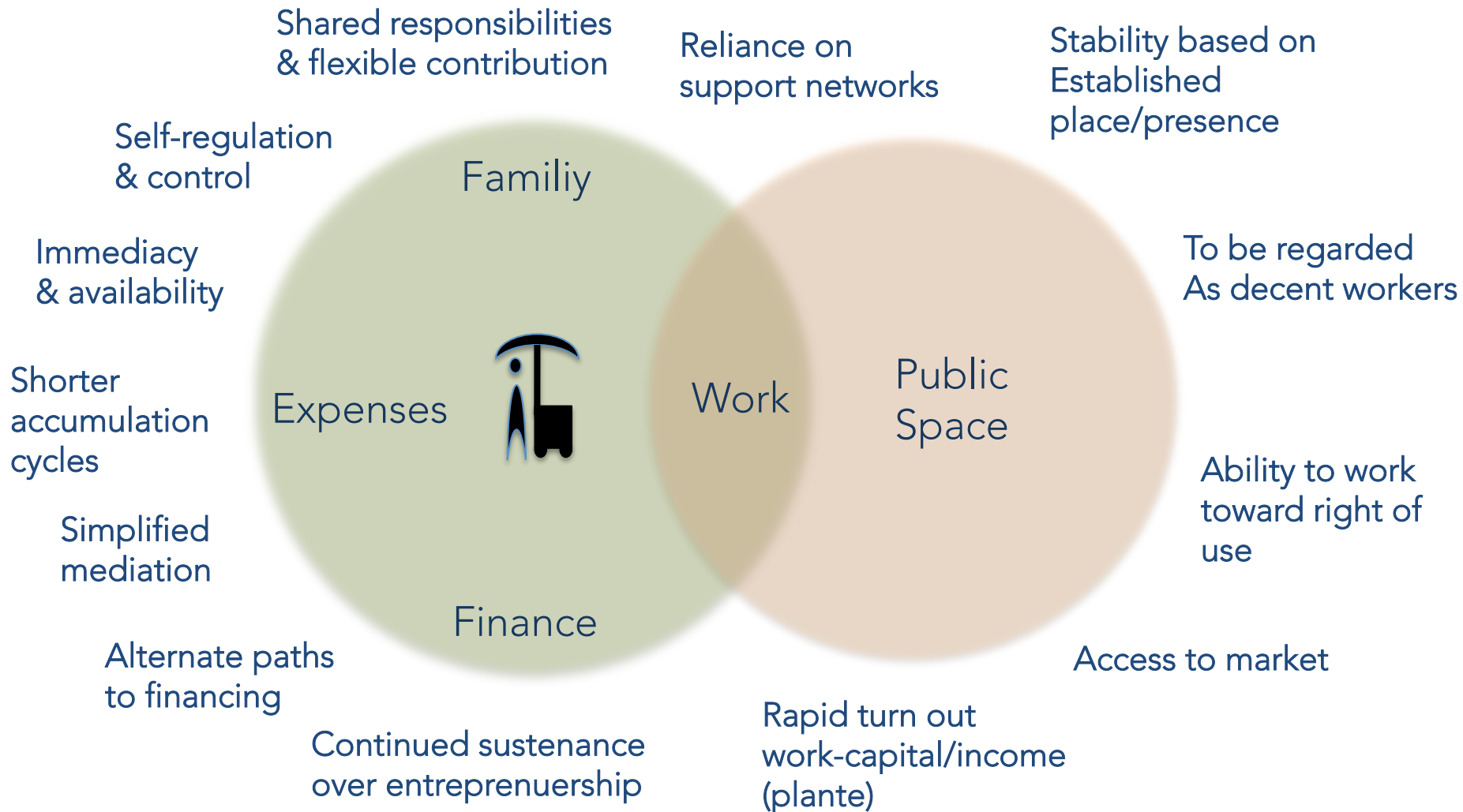


US \$ 7.500 to give up permit



Wants to have a "place"

Shared Values



Paradox

Illegality

Illegal groups

Agreements

Formality

State



Protection fees

Taxes

Payday
loans

Limited access
to formal resources

Informality

Informal workers

Illegality to pay for legality

Informality to support formality

Opportunity areas

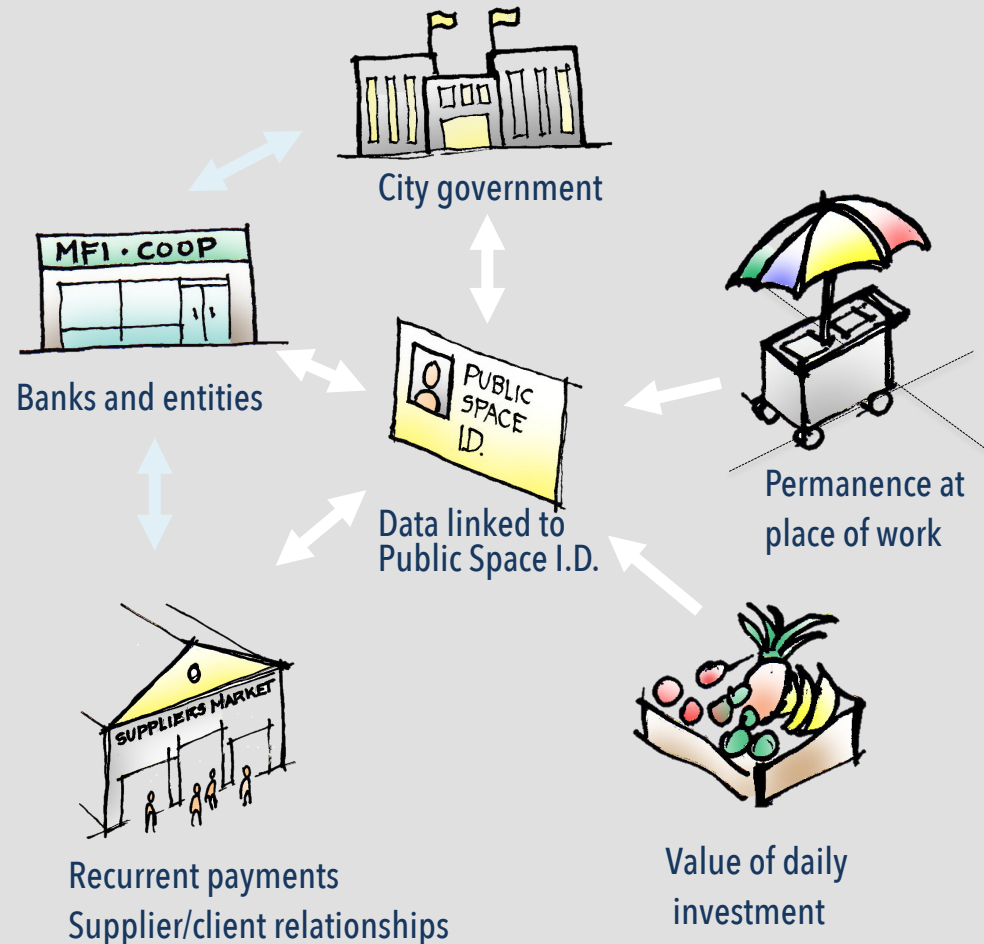
Visualize eligibility > Amplify value > Simplify access > Support continuity >

>> 01 Visualize eligibility

Allow users and groups to build an alternative history of their economic activity.

Personal history can support access to individual financial services.

Guild history helps to gain recognition and develop specific initiatives.



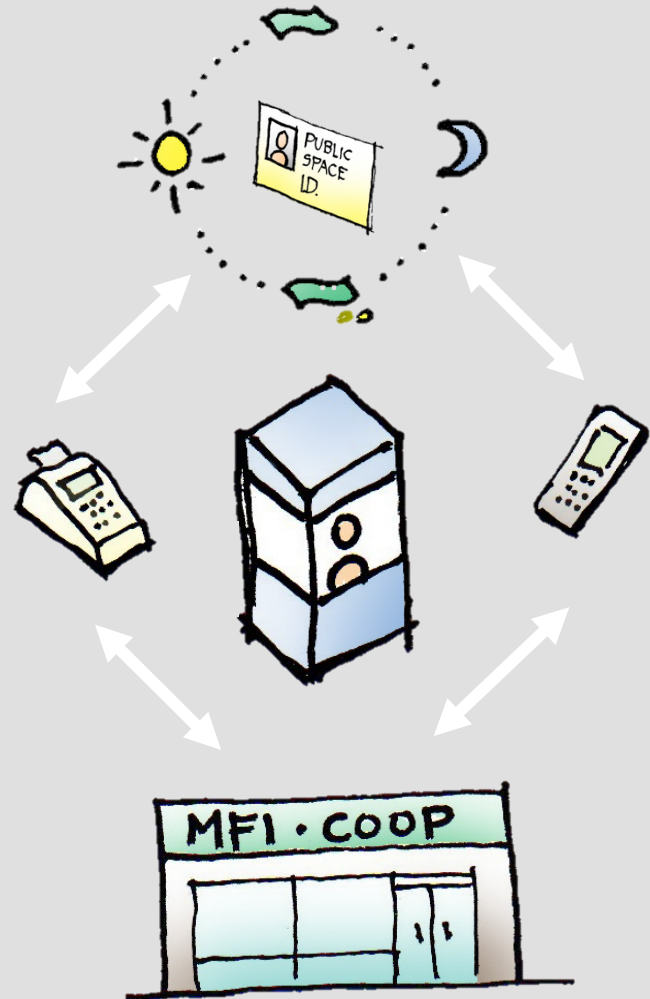
Opportunity areas

Visualize eligibility > **Amplify value** > Simplify access > Support continuity >

>> 02 Amplify value

Offer short cycle credit/loans based on “plante” (money needed for a day of work e.g. US \$ 5 – 10 to pay within days).

Integrate to vital payments such as utilities, state subsidies, remittances, phone reloading and suppliers (agro and merchant cooperatives).



Opportunity areas

Visualize eligibility > Amplify value > **Simplify access** > Support continuity >

>> 03 Simplify access

A common step-process for transactions across all points of contact facilitates adoption.

A clear and transparent fee structure with automatic deductions increases users' trust.

1	WHAT	2	WHO	3	AMOUNT	4	CODE
	Send Borrow Lend See		Contacts Entities		\$ 000		

Energy company
Loaded \$ 5.000
Subsidy \$ 4.803
Kwh 26.5
Deducted \$ 500
Balance - \$ 10.000

Finance inst
Loaded \$ 10.000
Balance - \$ 10.500

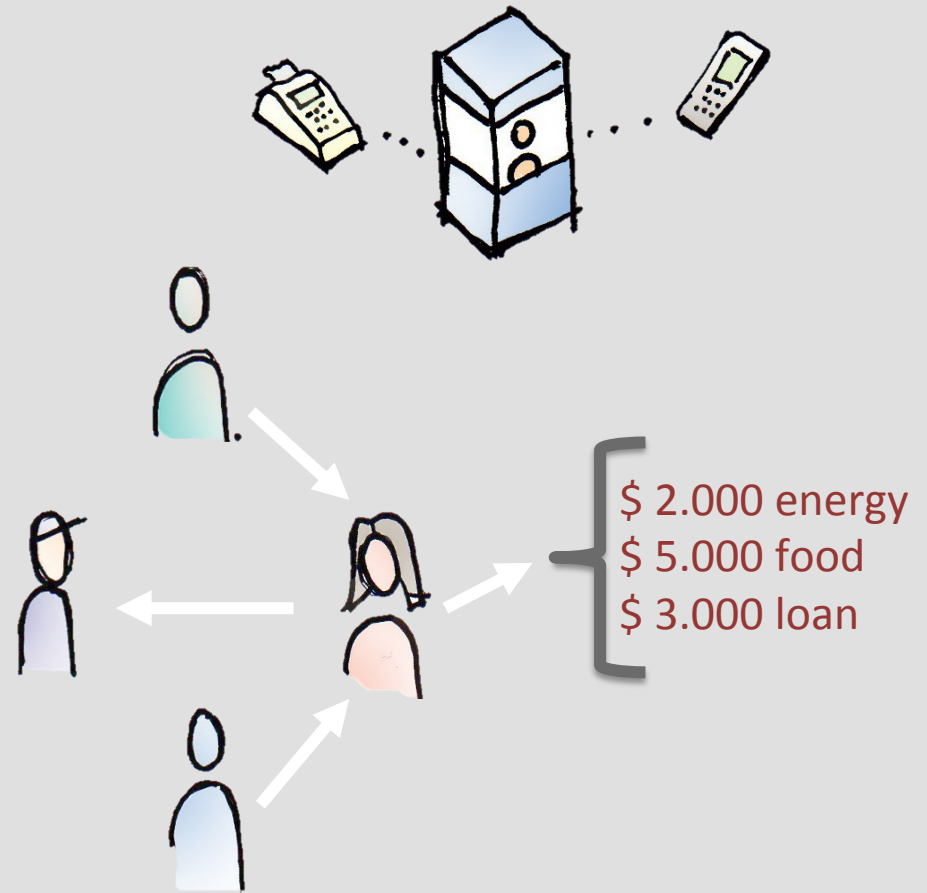
Opportunity areas

Visualize eligibility > Amplify value > Simplify access > **Support continuity** >

>> 04 Support continuity

Build on existing / adopted platforms e.g. for mobile payments, game networks can serve as exchangers and mediators.

Support family groups as "single users" to gather, share and manage payments.



Final thoughts...

Current model

Privilege entrepreneurship

Increase bank accounts

Regulate rates

Needed model

- > Promote sustenance
- > Support credit
- > Regulate transparency

