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ON THE ROAD TO FINANCIAL INCLUSION: EXPOSURE TO TECHNOLOGY FOR A RURAL POPULATION RECEIVING CCTs CASE STUDY IN PERU*

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FINANCIAL INCLUSION IN PERU

Financial inclusion is a process that provides access to and use of financial products and services (savings, credit, insurance, etc.) for the *unbanked* at a reasonable cost. It is also a social policy tool aimed at poverty reduction and alleviation (Maldonado, 2011). Financial inclusion is therefore a goal that genuinely contributes to the country's development. Because of its impact on society, it must be led by the state and, in the case of Peru, by both the Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*) and the Ministry of Development and Social Inclusion (*Ministerio de Desarrollo e Inclusión Social-MIDIS*), involving social protection programs (JUNTOS, PENSIÓN

65, FONCODES, etc.), the private sector and civil society organizations that can offer an appropriate banking platform for inclusion of the most vulnerable households, which lack access to financial services. The strategy adopted by MIDIS to promote financial inclusion among recipients of social protection programs is, first, through the payment of transfers from social programs; second, through the use of savings; third, through the use of insurance and micro-insurance; and fourth, through the use of credit (RM-030-2013, MIDIS).

In low-income households, monetary saving is the basis of all other financial services and instruments for inclusion, as it facilitates consumption smoothing, productive investment and protection against family and work-related risks. It also facilitates in-

* The complete document is available at the Capital Project: <www.proyectocapital.org>.



creased personal negotiating capacity and self-esteem, social influence and political participation.¹

In Peru, the Banco de la Nación (BN) is the state institution that serves as a platform for payments from social programs. The BN provides channels for financial services with a banking platform that has the broadest coverage in areas that lack other sources of financial services. As part of the government's efforts to promote financial inclusion, in 2012 the BN launched the Financial Inclusion Program (*Programa de Inclusión Financiera*, PIF), mainly to promote financial access among recipients of the JUNTOS conditional cash transfer (CCT) program² and vulnerable populations, providing them with technological tools to facilitate the development of small enterprises so they can support themselves in situations of vulnerability.

WHY ACCESS TO FINANCIAL INCLUSION THROUGH TECHNOLOGICAL MECHANISMS?

Financial inclusion is known to occur only when the entire population can effectively use high-quality financial services provided conveniently and with respect for the dignity of the customers, who should have access to them at affordable prices.³ Some of these aspects are taken into account by a financial industry that now offers

various resources and solutions through the use of technology and communications media to enhance access to financial services and products.

In Peru, despite significant progress, problems related to access to the financial system still exist in rural areas, where most users of social programs live this situation, combined with a lack of knowledge of financial concepts, limits the inclusion of this population in the financial system.

These constraints led the JUNTOS CCT program to deliver the transfer in cash, through cash-in-transit companies,⁴ which raises the program's operating costs: the cost of making payments in certain areas is very high, sometimes totaling more than the transfer amount; 32 percent of users receive their payments from the cash-in-transit company at a delivery cost of 7 soles per user;⁵ in places where there is dense vegetation, that cost is 13 soles, and it rises to 368 soles if a helicopter is needed to deliver the cash. These costs are high for JUNTOS, considering that the cost of delivery through a bank branch is only 2 soles (MIDIS, 2013).

Despite the increase in costs due to delivery by a cash-in-transit company, this service meets the objective of delivering the transfer to people who live in areas far from financial institutions, for whom the transaction cost of traveling to a bank branch would be high. The disadvantage of this type of payment is that it eliminates the relationship between the users and the financial institution, also eliminating the learning process that accompanies that relationship, such as the use of a

1. Cf. Proyecto Capital <www.proyectocapital.org>. This has been studied extensively by the academic community in developing countries: Banerjee & Duflo (2011), Dupas & Robinson (2009); Karlan & Appel (2011), Pickens et.al. (2009); Rutherford (2000).

2. This program provides a transfer of 200 nuevos soles (approximately US\$77) every two months to households in poverty or extreme poverty, subject to fulfillment of conditions related to health, nutrition and identity documents for their children. Qualifying households are poor households that include pregnant women and/or children, through the end of secondary school or under age 19 (MIDIS, 2013).

3. Cf. Center for Financial Inclusion.

4. Def: An armored vehicle transports the conditional cash transfer to areas where users of social programs live, where there are no bank branches.

5. (1 USD= 2.7 Nuevos Soles)



point of sale, the use of card or ATM, the use and protection of a PIN, etc.

What is the best way to reach users who, as customers, have unique needs? For Diniz et al., (2011), the answer lies in innovation, efficiency and availability of information and communication technology (ICT) infrastructure.

In Peru, the Banco de la Nación, which is responsible for delivering transfers, has implemented various mechanisms, such as the use of debit cards and savings accounts, in an effort to include the poor in the financial system. It has also been taking various steps to include more users of social programs, delivering transfers with the help of technologies such as automated tellers and the MULTIRED agent network (non-banking correspondent ATMs). In 2012, the BN — as part of the PIF — designed three products to facilitate access to the financial system for users of social protection programs, including users of the JUNTOS CCT: non-banking correspondents, native language ATMs and planned savings products.

PRODUCTS DESIGNED FOR INCLUSION OF USERS OF SOCIAL PROGRAMS

These three products were tested to assess their viability and acceptance among the users of social programs, specifically the JUNTOS program.

MULTIRED Agent

MULTIRED is a non-banking correspondent agent. Non-banking correspondents have seen significant development in recent years (successful cases in Latin America include “La Caixa” in Brazil⁶ and “Caja vecina” in Chile⁷); the aim is to

6. Cf. www.caixa.gov.br

7. Cf. www.bancoestado.cl

deliver services that are usually provided at bank branches through small stores⁸ or other businesses close to the user population. Operating non-banking correspondent agents is less expensive than operating bank branches: it minimizes fixed costs by using existing businesses, so no investment in new infrastructure is required. In addition, it only incurs costs — payment of commissions — when the transactions are carried out, while bank branches have fixed costs regardless of the number of transactions. That makes non-banking correspondents ideal for handling low-balance accounts with infrequent transactions.⁹

MULTIRED’s goal is to create a service channel that allows customers to carry out transactions quickly and securely through POS (Point of Sale), without having to go to a Banco de la Nación office. This service would be implemented in small businesses located in districts where social program users live in rural and peripheral urban areas. The product could benefit both the customer, by lowering transaction costs, and the business owner, who could obtain extra revenue. The target population for MULTIRED agents would be the population where the non-banking correspondent is located, mainly the recipients of transfers from social programs (JUNTOS, PENSIÓN 65), but also any other customer who has a BN card or account (teachers, police officers, government employees, etc.).

Native language ATMs

The goal of the Native Language ATM project was to facilitate understanding and use of automated tellers through adaptation to the Quechua or Aymara language. That would enable social program

8. Def: A store that sells dry goods or food.

9. Cf. Gates Foundation

users to use this payment system and consult their accounts easily and frequently. These ATMs would have a sequence of specially designed screens that incorporate messages recorded in native languages and flashing indicators¹⁰ to facilitate their use.

Planned savings for children and entrepreneurs

The “Planned Savings for Children and Entrepreneurs” (*Ahorro Programado Niño y Emprendedor*) project consists of two savings products that the BN developed for women in the JUNTOS program. The “Planned Savings for Children” project sought to promote a culture of saving so as to increase investment in education, health and other areas related to the family’s children. The “Planned Savings for Entrepreneurs” project aimed to promote a culture of savings for implementing productive initiatives, such as individual or collective businesses. To gain access to either product, the customer had to define the savings objective — for children or a productive enterprise — as well as the amount to be deposited monthly and the time frame. The person would subsequently receive a debit card with a specific graphic design (indicating savings for children or for a business); this would enable the person to go to the bank frequently to make deposits using the card. These products were attractive because of their preferential interest rates, but they were only available to people served by social programs.

10. The flashing indicators are the light signals that appear with each withdrawal amount, accompanied by an audio message. This makes it easier to identify the amount to be withdrawn.

CURRENT ACCESS TO TECHNOLOGY FOR WOMEN INVOLVED IN JUNTOS

This strategy, based on the development of financial products and services for the JUNTOS population, made it necessary to understand how well these new products might be received. An exploratory and descriptive study was therefore planned. The goal was to assess the acceptance and viability of the three new financial products among the women participating in the JUNTOS program. This discussion, however, addresses only outcomes related to perceptions of the use of the technology involved.

This case study used a qualitative methodology based on focus groups¹¹ to explore new issues and understand complexities, so as to gain insight into the behavior of the society and, in this case, the relationship between users of the JUNTOS program and potential products for financial inclusion.

The study was carried out in the districts of Cochabamba (154 JUNTOS households that receive their payments from a cash-in-transit company) and Orcotuna (188 JUNTOS households that withdraw their payments at a bank branch), both in the province of Concepción in the Junín region. In the districts pre-selected for the analysis, there had been no prior intervention with a financial education program, and only one transfer delivery method (either at a bank branch or by a cash-in-

11. The focus group methodology was chosen because of the importance it places on the study of the participants’ experiences and point of view. Emphasis was placed on the participants’ point of view because it underlies their attitudes and opinions. This makes it possible to understand what they collectively think about an issue, how they think and why they think as they do (Morgan, 1997).



transit company) was used. To ensure validity, the two districts had a similar number of users.

Four focus groups were held, two in each district, differentiated in each district by age range: age 18 to 35 and age 36 and over. This differentiation was made because access to technologies tends not to be the same for women of different ages. The groups involved 20 women in Orcotuna and 16 in Cochabamba.

EXPOSURE TO TECHNOLOGY IN GENERAL

When the focus groups were held, they initially explored the women's exposure to any type of technology. They were asked if they had used mobile phones, ATMs or POS. This was done because the concept of technology used for this paper refers to ICTs (Information and Communication Technologies) that facilitate financial inclusion.

Mobile phones

More than half of the women, especially the younger ones, said they had used cell phones. They indicated, however, that they had not used them for very long. Some said they had gotten a phone — for the first time — just a month before the information for this study was gathered, while others said they had had the phones for only a year or two. Many learned to use them thanks to brothers, partners or children. They considered the phones necessary, especially in emergencies.

Use of mobile phones, however, is limited: the women only knew how to make and receive calls or other basic functions. Although they knew the phones offer more functions, they said they did not have time to learn or did not understand when someone explained it to them.

Automated Teller Machines

When shown a photograph of an ATM, all participants in Orcotuna said they recognized it. They said they had used the ATM to withdraw their JUNTOS transfers.¹² Bank employees, security guards or local JUNTOS coordinators had “shown them how” to use the ATM, but rapidly, without ensuring that they understood.

“The security guard¹³ showed us. He pushed some buttons and then told me to put in my code.”

JUNTOS user (age 18 to 35), Orcotuna

The women felt that they did not know how to use the ATM, and although they knew their PINs, the problem was still their distrust of the machine and their nervousness about using it. Being forced to use it affects their learning.

“Someone should teach us how to use it. ... I know it has arrows to press, and lights, because they're different colors. One is blue and green. But what if I press them in the wrong order? {Laughter}. That's what I mean. They should teach us well ... they should tell us you do this to start and this to finish. But no, they don't tell us.”

JUNTOS user (age 18 to 35), Orcotuna

“I know how to read and write, but when I have to put in the number [the PIN] I get nervous, because I know people are waiting in line behind me. If I relaxed, maybe I could do it properly, but I'm nearsighted. ... I have to bend over to see the number. I get nervous.”

JUNTOS user (age 36 and over), Orcotuna

12. This comment is also heard in other regions. After the ATMs were installed, BN employees and local JUNTOS coordinators instructed women to make their withdrawals via the machines because of the long lines that formed at teller windows when the women went to receive their transfers every two months.

13. Def: Person who provides security for an establishment; watchman.

Because of this lack of confidence, they go to the ATM only once every two months, when the CCT payment is made. They also tend not to go alone, out of fear that the machine will retain their card (if they make an error when entering their PIN) or give them counterfeit bills. Finally, the women made two important comments: first, that they prefer to continue making withdrawals from the ATM, even though they are not entirely sure how to use it, because they get much more nervous at the teller counter when they have to sign a paper and leave a fingerprint; and second, that they believe they could use the ATM well with training, time, practice and:

"(...) Taking something for my nerves, so I remember how to use it."
JUNTOS user (age 36 and over), Orcotuna

In Cochabamba, the situation is different, because the district has no suppliers of financial services. When shown a photo of an ATM, very few said they had seen one, and none had used one. The only experience they had was on occasions when they had accompanied a family member who carried out an ATM transaction. Others had only heard about ATMs. Those who had seen automatic tellers or knew something about them commented, with concern, that they had received *little cards*¹⁴ from the local JUNTOS coordinator,¹⁵ but no one had explained what they were for. They did not know what a PIN was or whether they had one. They had simply put the cards away for safekeeping at home, because the local JUNTOS coordinator

14. The little cards are the debit cards that the Banco de la Nación provides to nearly all JUNTOS users, regardless of whether they live near a bank branch.

15. The local coordinator is the JUNTOS program authority in a district. Her tasks include validating the conditionalities of the recipient households, managing information and proposing new households to be included in the program.

had told them to keep the cards and not to use them to make withdrawals.

"They've given me my card ... but I don't know the code, the password or anything."
JUNTOS user (age 18 to 35), Cochabamba

POS

When asked if they knew what a POS was, the women in Orcotuna all said no. Later, when shown a POS, they recalled that they had used one at the BN when they first received their MULTIRED cards. They said the POS worked like an automated teller, because they remembered having used it once at the teller window.

"That will also be like a teller, because there are offices where they swipe the card and tell you to put in your code and to confirm you press the green button. Almost like an automated teller."
JUNTOS user (age 18 to 35), Orcotuna

Finally, they said that given a choice between making the withdrawal from an automated teller or at a teller window, the latter was easier, because they only had to type in their PIN, while the automated teller had more options.

"Because you just type in your code and press the green button. At the other, you have to press one thing after another. It's more complicated. For me. It's easier for me, because when they tell me to put in my code, I put in my code."
JUNTOS user (age 36 and over), Orcotuna

This is interesting to note, because during conversations about their use of automated tellers, the women said that making withdrawals at teller windows was complicated for them, as they had to sign and leave a fingerprint. This contradiction leads us to infer that both mechanisms (POS at the teller window and automated teller) are tools that they still do not feel confident or comfortable using.



In Cochabamba, the women were also shown the POS and asked if they knew what it was or if they had ever used it. Some thought it was a calculator. An explanation followed about what it was and what it was for. The women expressed interest in the POS, in knowing their PINs, in using their cards, and in the procedure for withdrawing cash. They also expressed willingness to learn to use it.

“Because like they say, you can learn anything if someone teaches you. Anything. But not out of fear.”

JUNTOS user (age 36 and over), Orcotuna

Based on the exploration of general exposure to technological mechanisms, it can be inferred that the women participating in JUNTOS have limited and infrequent access to basic technology and little first-hand experience of using it.

EXPOSURE TO TECHNOLOGY THROUGH BANCO DE LA NACIÓN PRODUCTS

One important aspect of future use of technology that allows financial access is the person’s level of comfort in using the mechanisms. This section therefore discusses not just this population’s initial exposure to financial services requiring the use of technology, but also the possible obstacles or constraints that the women encounter in potential contact with these technological tools.

Exposure through the MULTIRED agent

Confidence in this service and possibilities for using it are viewed positively, because transaction costs and other inconveniences foster the use of technologies by this population.

“They start waiting at one or two in the morning. They just sit and wait. We’re waiting in the cold.”

JUNTOS user (age 18 to 35), Cochabamba

The use of technology in itself is therefore not seen as an obstacle, as it eliminates other costs — such as travel expenses or time — and replaces them with knowledge. The desire to learn wins. Nevertheless, although the women want to learn, even if they have never used their cards, the concept of the non-bank correspondent unit as a means of payment remains abstract.

“[We would use it] because it is also closer than going to Huancayo, because some people can’t even afford the bus fare. So it’s closer, and we wouldn’t have to spend money on bus fare.”

JUNTOS user (age 18 to 35), Orcotuna

In general, another obstacle is the issue of security and trust. Greater confidence was expressed in the POS than a shopkeeper, because the women said they would have more confidence in POS technology — that is, in the BN branch — than in the manager of a commercial establishment. They also expressed fears about the agent system, such as receiving counterfeit bills, being robbed or not knowing how to use it efficiently. In addition, although some older women said they would not trust this system, younger women said they would, indicating that although older women exhibit more problems related to trust, younger women are more willing to take a chance and learn.

“We would trust the machine completely.”

JUNTOS user (age 18 to 35), Cochabamba

“Because it’s just a shop. Maybe the shop owner will leave. Maybe the person in charge will say they’re going somewhere else, and we would lose the money we’re saving.”

JUNTOS user (age 36 and over), Cochabamba

Exposure to native language ATMs

The women in Orcotuna were excited about these ATMs¹⁶ when they understood the audio messages they were hearing. They immediately said it would be very easy to use the machine if someone *spoke to them like that*. With those audio messages, they would not have to rely on the local JUNTOS coordinator or a security guard to use the ATM efficiently. This is crucial, as it makes the users independent, giving them greater confidence in the use of technologies that, although they are still complicated, become operable with remote assistance.

Another positive factor is that the audio messages are even useful for Spanish speakers who, because of their age, cannot see well or cannot read the text on the ATM screen.

“If you speak Quechua or Spanish, this way you can follow the instructions.”

JUNTOS user (age 36 and over), Orcotuna

“It is for me, because as I told you before, I’m nearsighted. So I have to get really close. But if someone talks to me, I understand.”

JUNTOS user (age 36 and over), Orcotuna

Exposure through Planned Savings for Children and Entrepreneurs

The “Planned Savings for Children” product is attractive to women who participate in the social program for two reasons: the power to save for their children’s education, and the ability to choose how much they can save. Nevertheless, they said that to use it, there would have to be a BN office (or agent) very close to their homes, because otherwise the transaction cost would be higher than the amount they could deposit.

16. This is because there are Quechua speakers in this district, but not in Cochas; in addition, the women in Cochas have never been exposed to automated tellers, so it was not considered pertinent to ask their opinion about something that was unknown to them.

“But that would be as long as the bank was nearby, because going to Concepción, plus the bus fare...”

JUNTOS user (age 36 and over), Cochas

The “Planned Savings for Entrepreneurs” product was not as attractive as the planned savings product for children, because the women said their children were their priority and that they did not currently have the possibility to plan or implement even a small business, as this program encourages saving over a specific time period that results in capital for investment in a business.

One interesting point was the women’s comment about the possible interest rate that they would receive for their savings, which would be a decisive factor in acceptance of the product. The use of technology therefore goes beyond the handling of cards and POS, as it is related to financial concepts that also involve the knowledgeable use of technological tools. It is not just a matter of “being able to use” technology, but also of “wanting to use” it. There is an apparent relationship between the deposit amounts and the transaction costs related to this product: “If the cost of transportation to deposit the money is more expensive than the amount of the deposit into savings, it doesn’t benefit me.” With this product, more than the other two mentioned above, the use of technology depends on the transaction costs.

PROBLEMS THAT HINDER JUNTOS USERS’ USE OF TECHNOLOGY IN FINANCIAL SERVICES

After a description of the acceptance (and possible rejection) of the three products by JUNTOS users, this section describes three elements, identified based on analysis and field observation, that would greatly facilitate the use of these technological mechanisms and, therefore, greater insertion into the financial system, but which currently undermine such insertion.

Treatment of social program users by Banco de la Nación employees

The way the women are treated in a financial institution can either give them confidence or discourage them from continuing to go to the bank office. This matter requires great care, because it involves service to a vulnerable population that has been disconnected from the financial system for a long time. The initial contact is crucial, because it allows the women to (i) receive information, (ii) meet the BN staff, and (iii) begin to establish the first bonds of trust with the institution. If this initial exposure does not go well, the women will be discouraged from approaching the bank in the future and there will be a distance between the customer and the institution.

The BN must keep in mind, first, that this population has had no access to financial institutions and therefore has almost no knowledge of the financial services they provide. Second, the women involved in these programs generally do not relate with people in unfamiliar environments, because they live in remote communities and only know people in and near their communities; in addition, most are engaged mainly in household tasks and/or personal or family activities. This is the context that has shaped them, and they therefore tend to be more sensitive to other people's responses. Because they are more sensitive, an initial bad experience (which may be uncomfortable, inadequate or even painful) creates a first impression that is difficult to eliminate or overcome later. This negative experience not only will be internalized, resulting in rejection of new entities, but will also be shared with relatives and friends, spreading and becoming generalized in the district or community.

It is therefore important to understand the seriousness of inappropriate treatment in an entity

that is not only a financial institution, but which is associated (because of its name) with indirect treatment by the state itself.

In the focus groups, the women from Orcotuna and, to a lesser extent, those from Cochas (commenting on what they have seen or heard, but not necessarily experienced first hand) mentioned that they perceive:

- Different treatment than that received by other customers of the bank, reflected in the fact that they stand in different lines and the way they are treated at the teller window.
- Poor treatment, which the women have experience or heard about, consisting of raised voices and loss of patience.
- Rapid and brusque treatment, in which the bank employee does not take the time to explain in detail the steps to be followed at the teller window or the automated teller to efficiently withdraw the transfer.
- Better treatment in other financial institutions. Women who have used services in other institutions and compare them with the BN comment that at the other institution, the staff treats them more politely and patiently, and the service is generally more personalized.
- Bank employees are professionals, so they should have more patience and offer better customer service. The women recognize that the bank employees are in a superior position, and it is therefore unfair for them to treat the women that way.

Because the bank is the first place where many of these women first encounter technological platforms for financial services (automated tellers, cards, POS), the bank should help them gain confidence, eliminating this type of treatment. That would make

the women feel like customers and not just like “users of a social program” who “must” withdraw their transfers from a Banco de la Nación branch.

Lack of information among CCT users

The women indicated that they do not know what to do in various situations – for example, if they lose their debit card, forget their PIN, receive counterfeit bills, have their debit card retained in the ATM, etc.

“At the teller window they once gave me a 50-sol bill that was counterfeit. I withdrew the money and put it away, and two weeks later, when I took it out to use it, it turned out to be counterfeit.”

JUNTOS user (age 18 to 35), Orcotuna

These situations lead to an even greater lack of knowledge; not only do the women lack an understanding of basic financial concepts, but they also do not know how to handle complex situations that could occur in the BN. This is important, because full use of technologies will only be achieved when the women have all the information they feel they need to be able to trust these mechanisms.

Lack of confidence in the use of ATMs

Security agents and local JUNTOS coordinators help the women operate the ATMs, carrying out the entire operation except entering the PIN. This is not ideal, because the process should be carried out exclusively by the women who receive the transfers.

“The Banco de la Nación is always full of people. The only people beside you are the security guards.¹⁷ They’re beside you, and you have to ask them for help, because you can’t ask anyone else, because only you should know your PIN. If I ask someone else to withdraw the money for me, well ... they’re always going to withdraw it.”

JUNTOS user (age 18 to 35), Orcotuna

“Sometimes you type the number wrong and they keep your card. You don’t get the money. Ms. ___ helps us, and Ms. ___, the president. Eight months ago, that’s how we withdrew the money there. The first time, a young woman at the bank showed us how to do it.”

JUNTOS user (age 36 and over), Orcotuna

This keeps people from trusting the ATM, because only long-term, trouble-free use of the machine will lead to confidence in its use. Helping the women does not mean making the withdrawal for them; as long as they continue to “get help” using the ATM, either from bank security guards or from the local coordinators, they will not learn to use the machines on their own.

CONCLUSIONS

A qualitative analysis shows that the use of technologies by JUNTOS CCT program users has been forced, because they receive their transfers from a financial entity that they did not choose proactively. Regardless of whether or not it is feasible to be able to select the institution through which payments are made in a CCT program, the relationship with the financial institution and the services offered in general are minimal and the use of technology is slow.

After carrying out this case study, which cannot be generalized, but which offers insight into how to facilitate financial inclusion through technological tools, it is necessary to keep in mind that getting women involved in social programs to use technologies will take time and dedicated effort, which probably will require various actions involving not only the payment services platform, but also other actors who would like to join forces in this initiative. It would be necessary, first, to implement infrastructure to support financial products; second, to provide financial products, which, like the possible new products considered for development in the short

17. See note 13.

and medium term, respond to the needs of the rural population; and third, provide financial education that emphasizes instruction in technologies, allowing financial inclusion in a way that is less abrupt.

"The way you just explained it to me, I understand. It would be good for someone from the bank to explain it to the others."
JUNTOS user (age 18 to 35), Orcotuna

"In writing. You listen, you write, you think about it, you review it, you keep learning."
JUNTOS user (age 36 and over), Cochabamba

Fourth, an information campaign is needed about the transparency of the content of the bank's financial products. The women need to know about account maintenance fees, their cards, possible interest rates, costs related to ATM use, etc.

Fifth, to the extent possible, the relationship between the financial institution that makes the CCT payment and the customers should be solidified through better service within the bank.

Although these conditions should be seen as measures for improving service or solving problems in the short term, they will not be effective as long as the relationship between the customer-user and the financial institution is sporadic. It is important to find ways for the women to become familiar with using these tools, because most tend to go to the bank only once every two months, to withdraw the CCT.

The Banco de la Nación's Financial Inclusion Program (*Programa de Inclusión Financiera*, PIF) has been dissolved. The bank's financial inclusion area, however, continues to develop two products similar to those described here: Planned Savings and the MULTIREG Agent. The Planned Savings product is currently being redesigned and will probably be launched in the first quarter of 2014. The MULTIREG Agent already operates in urban areas and capital cities, but its penetration in rural

areas is still limited. Because of high infrastructure costs, the Native Language ATM has not been implemented in any area that has a vulnerable population. This study indicates the need to find a way to implement it, because it is a well-received innovation, as has been demonstrated in countries such as Bolivia, Guatemala and Mexico.¹⁸

It is important to acknowledge the BN's efforts to include the vulnerable population involved in social programs in the financial system. It is not alone in that crusade, however. Other initiatives are emerging or under way to encourage people to make greater use of technology, so they become familiar with it, gain confidence and feel capable of using technology not just for financial transactions, but also in other aspects of their daily lives. For example, the "Complementary Technological Platforms for Financial Inclusion" project implemented by VISA and VISANET with the collaboration of the Institute of Peruvian Studies (*Instituto de Estudios Peruanos*, IEP) aims, through preferential affiliation¹⁹ with shopkeepers in the department of Junín,²⁰ to provide POS-based purchasing services to JUNTOS users in the region. That step is expected to give the women greater confidence in the use of other technological tools. Another example, is the project, "Using Non-Bank Correspondent Agents to facili-

18. In Bolivia, the Prodem Private Financial Fund implemented a network of 68 ATMs (in five languages: Spanish, Quechua, Amara, Guaraní and English) in nine departments in the country. In Chichicastenango, Guatemala, BANRURAL implemented "multilingual multimedia electronic tellers" in six languages: K'iche, Q'eqchi, Mam, Kanjobal, Kachiquel and Spanish. In Mexico, the Red Entura project implemented ATMs in the Náhuatl language in nine rural communities in the states of Veracruz, Querétaro and Jalisco.

19. Shopkeepers in this area are only charged a 1.5 percent commission on the sales amount. They were not charged for POS installation or any other cost.

20. Chongos Alto (Huancayo), San José de Quero (Concepción) San Juan de Jarpa and Yanacancha (Chupaca).

tate transfer payments and promote financial inclusion in Peru,” sponsored by Innovations for Poverty Action (IPA) in conjunction with the Institute of Peruvian Studies, which uses the BN’s MULTIRED agents to provide transfers in order to help people become accustomed to using this type of service.

As noted initially, this study seeks to reveal the constraints on the use of technologies by JUNTOS recipients, not only for academic purposes, but also to propose new measures both for closing this gap in the use of technology and for contributing to financial inclusion, which will increasingly depend on the use of technological mechanisms. Knowledge and full use of these technologies will lead to real and sustained financial inclusion for this vulnerable population. ●

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