

Podcast with Greta Bull, CEO of CGAP and a director at the World Bank Group

***Note that transcripts may sometimes contain errors and that transcript timing notations do not match the posted podcast**

- Jo Ann Barefoot: [00:01](#) We have a fascinating show today because my guest is Greta Bull. I want to welcome you to Barefoot Innovation.
- Greta Bull: [00:08](#) Thank you.
- Jo Ann Barefoot: [00:09](#) Greta is the CEO of CGAP, and is a Director at the World Bank Group. We're thrilled to have you on the show today. Let me start by asking you to talk a little bit about yourself. You have lived all over the world, you've done amazing things. We probably don't have the story ... the time to tell the whole story, but talk a little bit about the journey that brought you to this-
- Greta Bull: [00:35](#) Yeah.
- Jo Ann Barefoot: [00:36](#) ... amazing work that you do.
- Greta Bull: [00:37](#) I've always been interested in international development, and that started when I left grad school basically, when I had the great good fortune to start my career in the Soviet Union. It was 1990 when I moved there.
- Jo Ann Barefoot: [00:50](#) Where did you grow up?
- Greta Bull: [00:51](#) I grew up in the Midwest, in Ohio.
- Jo Ann Barefoot: [00:54](#) Okay.
- Greta Bull: [00:56](#) I found myself in Ukraine of all places in 1990, and got to witness the whole change that happened there. Which, was just an amazing place to be, at an amazing time. I spent, gosh, 15 years working in the former Soviet Union, Central and Eastern Europe. I became interested in financial services and its role in development when I was in Ukraine actually, because I worked for an organization called the Eurasia Foundation, which was one of the early pioneers in Eastern Europe on the microfinance space. I didn't do a ton of work on it there, but I later based out of the UK, ended up working for a company that was doing a lot of work on SME finance in Central and Eastern Europe, with the BRD.
- Greta Bull: [01:45](#) I spent probably seven or eight years doing that, and really found that super interesting actually. Lots of interesting challenges in serving that segment. Then I had the good fortune to move to Latin America with the IFC, where I was based in

Lema Peru. I learned a lot about microfinance, and actually Peru is kind of ground zero for a lot of microfinance. Bangladesh, and Peru-

- Jo Ann Barefoot: [02:08](#) Mm-hmm (affirmative).
- Greta Bull: [02:08](#) ... and Mexico. It was a great learning lab for understanding microfinance and serving the poor, rather than serving kind of growing enterprises that were going to lift the economy up in transitioning economies. From there I developed an interest in digital finance, and started working on digital finance. M-Pesa ... this was around, gosh, 2010. M-Pesa had just really started taking off.
- Jo Ann Barefoot: [02:37](#) In Kenya?
- Greta Bull: [02:39](#) In Kenya.
- Jo Ann Barefoot: [02:39](#) Mm-hmm (affirmative).
- Greta Bull: [02:39](#) We were trying to link some of the thinking from M-Pesa and enterprises in Latin America, which for various reasons has been very challenging. But, then I had the opportunity to go work out of Sub Sahara in Africa, in Sub Sahara in Africa out of Johannesburg, and got to do digital finance, which was just again, kind of ground zero for digital finance. It was really fun.
- Greta Bull: [02:59](#) Since I've come to CGAP it's been interesting because it's been about integrating the business model work that I'd always done before, with kind of customer work, and regulatory work. CGAP's a nice place to put all of those things together.
- Jo Ann Barefoot: [03:12](#) Mm-hmm (affirmative).
- Greta Bull: [03:12](#) It's been a great journey.
- Jo Ann Barefoot: [03:14](#) That's fantastic. Tell the audience, some of them know what CGAP is but some probably don't.
- Greta Bull: [03:19](#) Sure. CGAP was setup in 1995, basically as a coordinating group to help put some shape around the growing micro credit industry. CGAP was created as a donor collective. It's housed in the World Bank, and it was a donor collective to help donors understand how they could serve the micro credit industry.

Over time, micro credit turned into microfinance, then it turned into financial access, and then it turned into financial inclusion. Now, we're probably digital finance platforms and all of that. It's really evolved very rapidly overtime, but there are strands that kind of run through it. We now have 30 members-

- Jo Ann Barefoot: [04:00](#) In the [inaudible 00:04:01]?
- Greta Bull: [04:01](#) ... [crosstalk 00:04:01]. Yeah, 30 donor members.
- Jo Ann Barefoot: [04:02](#) Mm-hmm (affirmative), mm-hmm (affirmative).
- Greta Bull: [04:03](#) Including foundations, multilaterals, bilaterals, and still focused on what financial services in technology can do to help improve poor people's lives.
- Jo Ann Barefoot: [04:13](#) Hmm. I believe it stands for Consultative Services ...
- Greta Bull: [04:17](#) Consultative Group To Assist The Poor.
- Jo Ann Barefoot: [04:19](#) To Assist The Poor.
- Greta Bull: [04:19](#) Mm-hmm (affirmative).
- Jo Ann Barefoot: [04:22](#) Yeah, exactly. You're at the cutting edge of a lot of the most exciting things that have happened in the world in all this time. Talk about where we are in the big vision of getting everyone attached to the financial system.
- Greta Bull: [04:39](#) Oh gosh. Well, this stuff kind of goes in cycles actually. I think it really started ... well, it started before microfinance. But, microfinance really helped coalesce people around understanding how you could serve the poor. I think we learned a lot about what it took to serve the poor through the micro credit movement. In fact-
- Jo Ann Barefoot: [04:58](#) Which was pretty low tech, at least in the beginning. Yeah.
- Greta Bull: [05:00](#) ... Very low tech, very high touch.
- Jo Ann Barefoot: [05:02](#) Yeah.
- Greta Bull: [05:02](#) That's still a tension in the industry today.

Jo Ann Barefoot: [05:04](#) Mm-hmm (affirmative).

Greta Bull: [05:06](#) Actually, if you look at how M-Pesa started, M-Pesa started by trying to solve a problem in microfinance, so there's a direct link between microfinance and mobile financial services. That leads to digital, so there's a thread that runs through the whole story. We've learned stuff every step of the way, and I think we've achieved a lot of as a collective, but there's still a long way to go. What I'm interested in is how technology takes some of those early business models, and make it possible to go mass market, and down market so that we can provide services that help poor people manage their lives, in a way that's affordable, accessible, and speaks to the needs that they have.

Jo Ann Barefoot: [05:51](#) Yeah. We have a global audience in every part of the world, but for the benefit of the US audience, I think it's important to get people to step back and realize how instrumental the mobile phone has been. Other parts of the world adopted mobile phones before the US did, because we had a lot of landlines here. Once that connection was made, that people had a phone, then there was ... I think it may have come in part from CGAP as I've heard the story, that the light bulb went on, that you could connect them to the financial system through that phone.

Greta Bull: [06:34](#) Mm-hmm (affirmative), so I think M-Pesa had a huge impact on this industry. I think they did a couple things. I actually think the technology pieces is in many ways, the less important part of it. What M-Pesa did that was really important was a couple of things. One, was to create an interface between the analog and digital economies, which is a distribution network. If you look at all of the innovation that's happened from M-Pesa through to Alibaba, distribution is foundational to it. You have to be able to get people's money into and out of the system.

Jo Ann Barefoot: [07:06](#) Mm-hmm (affirmative).

Greta Bull: [07:07](#) Kind of above that, there's a connectivity layer, or an interconnectivity layer. You need transactions to flow through a system that's large. Then, on top of that's kind of a data layer. But, M-Pesa sort of figured out the unit economics of serving poor people, because they had this large cash in, cash out network that enabled you to digitize money.

Jo Ann Barefoot: [07:27](#) Mm-hmm (affirmative).

Greta Bull: [07:28](#) But, they also realized that it's really hard for a financial institution to provide a bank account for somebody who earns less than \$1.90 a day, it's just the economic stones stack up. In a way, one of their other big innovations was to say, "Right, well we'll manage that front end for you, and we'll keep the money in a big float account," that then starts looking really attractive for a bank. It started kind of pulling apart the financial service's delivery model in a way, and delivered it through people who could do it better, right? I think they showed that initial stage of modularization, and now you're seeing that really turbocharged with Fin. Tech coming in. I think it's technology, but I think this distribution piece of it's actually really, really important. And we're seeing all kinds of innovations around that, from Alibaba, to Gojek, different kinds of ways of getting money into and out of-

Jo Ann Barefoot: [08:24](#) What's Gojek?

Greta Bull: [08:25](#) ... Gojek is a company in Indonesia they started, and you could hail a ride, pay for it in cash, and then your change is sort of kept as eMoney, right?

Jo Ann Barefoot: [08:36](#) Mm-hmm (affirmative).

Greta Bull: [08:37](#) It's another way of getting cash into and out of the ecosystem. There are a lot of different experiments with that digital analog interface that are really important to reaching the mass market, because people still don't have access to bank accounts, they still don't have access to broadband, or data connections. And so, we're working in pretty low capacity environments, and having that final kind of high tech, high touch relationship with your customers is pretty important. So, payments were a really important part of building the new kind of digital ecosystems that we're seeing emerge.

Jo Ann Barefoot: [09:13](#) Yeah, they have been kind of the foundation layer.

Greta Bull: [09:15](#) Yep.

Jo Ann Barefoot: [09:16](#) Once you get that going, you can add onto it. So, how are you feeling about the prospects going forward? It's a breathtakingly

ambitious and complex challenge. Where are we, what are you worried about the most?

- Greta Bull: [09:34](#) Oh, yeah, okay. We're already ... well, okay. We've been at this as an industry for a long time, but we started counting people's access to bank accounts in 2011 with the Findex, which is a survey that the World Bank runs in about 140 countries globally.
- Jo Ann Barefoot: [09:51](#) We have a link to this in the show notes for people who want to look it up [crosstalk 00:09:53].
- Greta Bull: [09:53](#) Perfect. It's an amazing dataset. You can play around with it, and there's a lot of learning still to be had from that dataset. But, what the Findex enables us to do is really measure a few things around access to accounts, and that could be a bank account, it could be a mobile wallet, usage of accounts, and some factors around whether people have financial health, but mostly it's around access and usage.
- Greta Bull: [10:20](#) Actually, we've come a long way. In 2011 when it was first measured, about 51% of people worldwide had access to an account. By 2017, which was the third iteration of the dataset, 69% of people worldwide had access to an account. That's about 1.2 billion people, that is a lot of people with access to accounts who hadn't had it before. We've come a long way on access. We still have some challenges on usage, so about 25% of those accounts aren't being used. But, if you think about it, financial services are complex. If you want to vaccinate people, you just have to get logistically organized, get the vaccine out, and administer it. Financial services involves business models, it involves regulation, it involves people's behavior, and changing behavior. And frankly, cash is a pretty good technology for many people.
- Greta Bull: [11:15](#) I'm pretty optimistic about how far we've come. We still do-
- Jo Ann Barefoot: [11:19](#) I mean, it's a stunning-
- Greta Bull: [11:20](#) ... It is.
- Jo Ann Barefoot: [11:21](#) ... It's a stunning achievement.
- Greta Bull: [11:22](#) Yeah.

Jo Ann Barefoot: [11:23](#) There's just no doubt about it.

Greta Bull: [11:24](#) It really is. We still have a challenge, we've got 1.7 billion people who remain unbanked, and so there's still work to do there. We've got a gender gap that's pretty significant, and really persistent. It's been nine percent in every single Findex. We still have some work to do on that, rural's a problem. And so, the way I like to think about it is, since we started focusing on this goal we've picked off the low hanging fruit, right? We've got people in that were relatively easy to get in. China's a big part of that number, India is a big part of that number. But, we've also seen countries in East Africa do really well, the M-Pesa phenomenon spread to West Africa. It's everywhere, yeah.

Jo Ann Barefoot: [12:06](#) In Latin America.

Greta Bull: [12:07](#) Latin America.

Jo Ann Barefoot: [12:08](#) Mm-hmm (affirmative).

Greta Bull: [12:09](#) We've seen big moves across the globe in this stuff. But, there are challenges. We have countries ... And, the challenges come in distinct buckets, actually. I would say countries with poor regulatory frameworks, there's a really clear set of countries that fall in that bucket. And guess what? They didn't move as well in the Findex as others. Conflict affected countries, also a challenge. Women remain a challenge, as I said. And rural households, where it's just really hard to get that analog to digital interface out in a cost effective way.

Greta Bull: [12:47](#) I think we've done the stuff that we know, we had a sort of formula for getting access out to people. And now, I think it's much more of the harder things to do. But, I think we know what needs to be done, and we can get there with a lot of these places.

Jo Ann Barefoot: [13:03](#) Talk about that, what are the most important strategies for that?

Greta Bull: [13:07](#) Well, I think the first one is getting the regulatory environment right. If you look-

Jo Ann Barefoot: [13:11](#) That's music to my ears.

Greta Bull: [13:12](#) ... Yep.

Jo Ann Barefoot: [13:12](#) You know? People forget that if we don't get that right, we're not going to get any of it right, in my opinion.

Greta Bull: [13:18](#) Yeah, and trying to find ... If you look at the remaining 1.7 billion unbanked, nearly half come from just seven countries. So Bangladesh, China, India, Indonesia, Mexico, Nigeria, and Pakistan. Now, there are varying reasons why those countries fit into that bucket. Some, it's just the size of the population. Others, it might be a regulatory thing. But, if I take the case of Nigeria, right? So Nigeria made a very different decision from other African countries, that they were not going to let mobile network operators play. Well, in Africa the story has been up till now, about mobile network operators, and you can see it in the numbers. Nigeria's increase in account access I think went up maybe 33% from 2011 to 2017. If you take a group of countries where they did have good regulatory frameworks in place, it went up two and a half times. There's a huge difference.

Greta Bull: [14:14](#) Ethiopia is another country where it's just been really difficult for, well they just haven't had the regulatory framework at all really, for this sort of thing, and a very heavy state involvement. So you've seen modest improvements in access, but not earth shattering improvements in access. That's what you've seen in East Africa, and increasingly in other parts of Africa. I think the regulatory framework is a pretty clear one, and now we're seeing it in, Nigeria's now got new regulations on essentially payments banks in the same way that India did things, Ethiopia is really looking at reform. And so, we're seeing those big countries that still have challenges coming along.

Greta Bull: [14:53](#) If you look at countries like Bangladesh falls in this category, Pakistan, and actually Nigeria as well. The gender gap is enormous, so between those three countries, the gender gap is between 24 and 29%. That's huge. You could actually improve the access gap just by getting women on board, right? There are ways that we can kind of look at this and start tackling the next wave of the challenge in different ways.

Jo Ann Barefoot: [15:22](#) Mm-hmm (affirmative).

- Greta Bull: [15:23](#) I think regulation will be part of it, but then there's just ... there's some social norm issues, especially around gender that we have to deal with. There are business model issues, so I think most of the MNO's operating in Sub Sahara in Africa now have a business model that works. But, the challenge is to layer other services on so it continues to work. That's been a pretty big challenge, right? I think the business models are evolving, we're seeing new business models coming in. But, serving people who earn very little money is just a tough equation to make work. I think we've got a job to do to sort of help figure out what works and what doesn't for that population. But at the same time, we also have a really important job to do to put in the protections.
- Jo Ann Barefoot: [16:09](#) Yeah.
- Greta Bull: [16:10](#) And, make sure that you've got the kind of regulatory eyes on the problem at the other end, from both a supervisory perspective to make sure the wheels aren't falling off, or that you're getting bubbles, which we're seeing in some places on the credit side. But, also to make sure that consumers really are protected.
- Jo Ann Barefoot: [16:28](#) What are the keys to that?
- Greta Bull: [16:32](#) Well, I think the first part of the problem is measuring it. If you look at what's happened in digital credit in East Africa, it's kind of stunning actually. I took a look at this last year, and I was looking at data that had been published on Zambia. If you look at the growth of digital credit in Zambia, it's quite remarkable. Digital credit started there in around December 2015, January 2016. By the time you got to the third quarter of 2018, 40% of all credit in the market by volume dispersed in that quarter was digital credit. That was mostly to low income households.
- Greta Bull: [17:15](#) I checked around because digital credit's been around in Kenya, Tanzania, other parts of East Africa for a lot longer, nobody has any data on what the actual scope of it is in those markets. I want to be really clear, I'm not trashing digital credit.
- Jo Ann Barefoot: [17:31](#) Mm-hmm (affirmative).
- Greta Bull: [17:31](#) I actually think it's a good thing in many ways. If you took that away it would be like taking people's credit cards away here.

But, if regulators don't actually know how big it is, it's very hard to think of appropriate policy choices for managing it, and making sure that you also have productive credit that's being made available. I think a big part of the challenge in emerging markets, particularly from the regulatory and policy side is just not great information.

Greta Bull: [18:03](#) Once you have the information, then you have to start making choices about what to do with it. And then, there are issues around resource, there are issues around capabilities, although I do know some very capable supervisors and central bankers in many parts of the world, they often just don't have the resources. And then, technology. The firms that are delivering these services are racing ahead with new technologies. The resource constraints in some of the regulatory bodies means that it's very hard for them to keep pace. As a donor collective, I think we have a lot to do, to make sure that donors stay connected to building out that capability on the regulatory side. Both to make sure the system remains robust, and helps deliver those financial services in a way that improve people's lives. But, also to make sure the consumers are protected.

Jo Ann Barefoot: [18:59](#) You hear a good bit of talk and optimism, and I share a lot of it, that this resource constraint and capacity issue in countries like these, may benefit from being able to start from scratch almost. Not totally from scratch obviously, but that there's a leapfrogging into more tech enabled regulation, almost by necessity because there's no other way to keep up with the change, and that maybe new models will emerge there. Does that make sense to you? You're looking skeptical.

Greta Bull: [19:39](#) I would love to think that, that was the case, but I think there's just generally a resource constraint.

Jo Ann Barefoot: [19:43](#) Mm-hmm (affirmative).

Greta Bull: [19:44](#) First of all, you have to have money to invest in the tech.

Jo Ann Barefoot: [19:47](#) Yeah.

Greta Bull: [19:47](#) You have to have an ability for providers to connect to your tech and upload reports. You have to be able to structure the data, and be clear about what you're looking for. That requires people who can do that. People who can manage those

processes, and part of the problem is we just don't have enough people in some of these regulatory agencies.

Greta Bull: [20:07](#) I think the other thing, and this is an interesting almost opposite of the US where you have this proliferation of regulatory agencies, which is bewildering to those of us who work in emerging markets. We actually tend to have too few, or actually turf battles between regulatory agencies. So, a classic case is where you'll get a central bank that says, "Okay, I'm supervising digital financial services under a limited license." And, a telecommunication's authority who says, "Wait a minute, those are mobile network operators, I own them." And so, you have this kind of tug of war in some markets, and I've seen it actually really create a ton of conflict in some places.

Greta Bull: [20:47](#) It's a very different kind of problem, but then you need to think about competition authorities, you need to think about data protection and privacy, which is a huge emerging issue. You need to think about consumer protection, and in often case you have an authority, but it's not super empowered, it's not very well resourced, and you get these turf battles, right? I think, I would love to think that we could leapfrog in a lot of our markets, and maybe that will happen. But, I think the resource constraint is real, and that's going to limit a lot of what we can do.

Greta Bull: [21:22](#) That said, there are bright spots. If I want to think about data for example, like one of the best central banks from a data perspective in my experience is Peru. They have amazing data on what's going on in their credit markets. You can go in, and you can sort it, and you can really see how it's evolved overtime, and you can see that there's a serious micro credit industry in there, and there's a lot of SME lending too. There are models out there in emerging markets, it's just a question of how we get there.

Jo Ann Barefoot: [21:50](#) What are your thoughts on how we could, we collectively could help everyone not have to reinvent that wheel? There needs to be ... So, I mentioned I founded a nonprofit called The Alliance For Innovative Regulation.

Greta Bull: [22:07](#) Mm-hmm (affirmative).

Jo Ann Barefoot: [22:08](#) What are the things that we are pondering as, who's going to take the lead in creating interoperable information standards that we could begin to bring into some of this work, and open code approach, and let people learn and build on top of what others have done?

Greta Bull: [22:30](#) Yeah.

Jo Ann Barefoot: [22:31](#) Isn't that the model we should try for?

Greta Bull: [22:34](#) I talked about this stack before.

Jo Ann Barefoot: [22:35](#) Yeah.

Greta Bull: [22:36](#) Where you have distribution at the bottom, interconnectivity in the middle layer, and data at the top.

Jo Ann Barefoot: [22:40](#) Mm-hmm (affirmative).

Greta Bull: [22:41](#) I think that's actually crucial to understanding where we are. We've struggled even on payment's interoperability in places like Africa. The biggest challenge we have in Africa is fragmentation, both within markets, and between markets. Digital finance, all of this stuff is about scale. The average adult population in a Sub Saharan African country is 18 million people, so it's not very big. If you get caught up in discussions between mobile network operators competing with banks not wanting to interconnect, you don't even have the data flows. We're not even talking about standards yet, we're just trying to get everybody around a table to agree to do it.

Greta Bull: [23:22](#) I think there's a ... And to be fair, a lot of progress has been made on this. But, there's still a lot more. It's about kind of cracking people's minds open. Once you get to the payment's interoperability, then you need to talk about data interoperability, you need to talk about cyber security, and standards around that. I mean, it's a whole can of worms. I think most people put that in the too hard to deal with box in emerging markets, and just hope it doesn't go horribly wrong.

Jo Ann Barefoot: [23:47](#) Mm-hmm (affirmative).

Greta Bull: [23:48](#) We've been really advocating on cyber security, that it's something that we all need to collectively pay more attention to. But, data standards I think will be just as important as payments interoperability standards.

Jo Ann Barefoot: [23:59](#) Mm-hmm (affirmative).

Greta Bull: [24:00](#) But, payments interoperability previously has been the remit of banks. 95% of payment flows in Africa go over the rails of a mobile network operator, how do we bring them into the conversation? I think there's a ton of work that needs to be done in this space, because that digital stack, digital economy stack really, doesn't work without interconnectivity, not just connectivity.

Jo Ann Barefoot: [24:24](#) Yeah, exactly. I know the Gates Foundation has been a lead supporter of CGAP, and I know they're working on interoperability in Africa.

Greta Bull: [24:33](#) Yep.

Jo Ann Barefoot: [24:33](#) I'm sure you know [inaudible 00:24:34] for one. It's a tall order, but think of the ... I mean, I know that the, we've also had Alfred Hannig on the show from AFI-

Greta Bull: [24:46](#) Mm-hmm (affirmative).

Jo Ann Barefoot: [24:47](#) ... And others in this whole community, and the realization that the spur for growth, economic growth is going to come from enabling these people to connect to the system, and then be able to be productive.

Greta Bull: [25:05](#) Yeah.

Jo Ann Barefoot: [25:05](#) And, control their lives with much more power than people have had traditionally.

Greta Bull: [25:12](#) Yeah, I think the challenge in Africa is this fragmentation challenge, and it is not an insignificant one because you have longstanding disagreements among countries, among operators, et cetera. That said, I think there are interesting models that have emerged, and one that we've been particularly inspired by is India. It's one big space, so they don't

have the fragmentation problem. But, they have mobilized around building infrastructure that makes all this stuff work. If you're counting the government to do it, or the private sector to do it, there are all of these spaces where parties need to come together to make stuff work. I think India's done a brilliant job of this, because they built the Aadhaar ID that's sort of foundational, but they've built UPI on top of it. And now, they're getting into the data space.

Greta Bull: [25:58](#) The thing I particularly like about the way the Indians have done it, is they've built it for competition. It is built almost explicitly not to be winner takes all. And so, you see big tech players coming in, and actually competing on payments through UPI. I actually think that is a really interesting model to look at. I also like the way they're thinking about data, and the two places where we're seeing a lot of interest in emerging markets around data is the experiment that's going on in Europe right now with PSD2, and GDPR. But, also kind of open banking in the UK, which was driven by a competition mandate.

Greta Bull: [26:36](#) That paired with the way India's thinking about some of this stuff, I think is really interesting, and opening people's minds up. To your point earlier about data, we've got big honeypots of data sitting here, and Experian is the one that's sort of still on everybody's mind. How do we make sure that doesn't happen in the future, and what are some of the rules we put around that? But, how do we think about a more distributed architecture for data that actually empowers consumers? That's going to be built on eventually a system that's interconnected with API's, that's interconnected with standards and rules that everybody agrees to. This is going to take a long time to get to.

Greta Bull: [27:14](#) But, what I like about what India and Europe are doing is, they're kind of giving us some experimental prototypes to think about how we can localize and use in the markets that we care about. I think there's great thinking going on in those places, and we're really actively at CGAP, trying to take the learning into the markets that we care about, and help local authorities think about how they can do some of that.

Jo Ann Barefoot: [27:40](#) Yeah, we will also link in the show notes to some of the themes that you're touching. We did one with Sanjay Jane on Aadhaar and India. We also did one with Gary Shiffman from Giant Oak, where he talked about the importance of moving to a model

where we would decentralize data, and let the machine learning go find it, and do what it needs to do with it. But, not bring it into a honeypot, the so called traveling algorithm.

- Greta Bull: [28:08](#) Yep.
- Jo Ann Barefoot: [28:09](#) There's a lot of potential in that.
- Greta Bull: [28:10](#) Mm-hmm (affirmative).
- Jo Ann Barefoot: [28:11](#) That line of thinking.
- Greta Bull: [28:12](#) I think it's also really empowering for consumers. If you put the right kind of guardrails around it, it doesn't sit there forever either, with an endless permission that means that-
- Jo Ann Barefoot: [28:22](#) Yeah.
- Greta Bull: [28:22](#) ... you turn people into commodities.
- Jo Ann Barefoot: [28:24](#) Yeah.
- Greta Bull: [28:24](#) I think there's a lot of thinking that can be done in that space that will be very interesting.
- Jo Ann Barefoot: [28:30](#) Do you want to point to any other particularly exciting models or success stories that we haven't already talked about? I'm sure there are a lot.
- Greta Bull: [28:42](#) Yeah, there are tons. I mean, eCommerce has been a huge driver in certain markets of financial inclusion. I mean, China's the most obvious, but I think we're starting to see signs of it in places like Latin America. Latin America's actually been a laggard on mobile in a lot of ways, which is interesting. And, there are lots of reasons for it. But, eCommerce seems to be kind of the thing that's hooking people in. I think mobile network operators have had success where there's just been nothing else, it's been an open goal.
- Jo Ann Barefoot: [29:14](#) Yeah.
- Greta Bull: [29:14](#) So, Africa, Pakistan, Haiti, bits of Central America. Then, you've seen sort of mobile network operators really playing a prominent role. Everywhere else, banks are pretty well

established, and so it's been harder to get in. But, if you look at what eCommerce is doing in combination with Fin. Tech capabilities, it's starting to shift the equation in some of those places. I think we're going to start seeing this dynamic evolution, you know? That started in Africa, went to Asia, is now bouncing back to Africa, Latin America. I think it's almost like a viral infection, you know? People sort of go, "Oh, that's an interesting idea," and they sort of localize it.

Jo Ann Barefoot: [29:54](#)

Mm-hmm (affirmative).

Greta Bull: [29:54](#)

I think eCommerce has been a big one for us, figuring out how to crack some of these distribution challenges is a particular challenge because rural areas are so important. There's a lot going on in mobile agents that I think is interesting.

Jo Ann Barefoot: [30:13](#)

What's going on with that?

Greta Bull: [30:14](#)

Gojek is kind of-

Jo Ann Barefoot: [30:16](#)

Mm-hmm (affirmative), yeah.

Greta Bull: [30:16](#)

... one of the main models.

Jo Ann Barefoot: [30:17](#)

Mm-hmm (affirmative).

Greta Bull: [30:17](#)

But, we're seeing experimentation with that now in Africa for example. A lot of, not surprisingly, a lot of experimentation in the credit space because that's where you make money, a lot of experimentation in remittances because there's a lot to attack there. Data is I think really the new frontier. I think everybody loves to talk about data, but I'm not sure outside of some of the big tech platforms, how effectively it's being used.

Jo Ann Barefoot: [30:46](#)

Mm-hmm (affirmative).

Greta Bull: [30:46](#)

And so, I think now is really the time for us to start tackling data as a topic, both from an opportunity point of view, but from a protection point of view too.

Jo Ann Barefoot: [30:55](#)

Mm-hmm (affirmative).

Greta Bull: [30:56](#)

And also, one thing that really excites me is public goods that sit in the middle, and I'm sure Sanjay talked a lot about that. But

you know, Aadhaar, UPI, data aggregators, what ... credit bureaus. How are we thinking about credit bureaus of the future? What are the public rails that are really needed to make full financial services work? I think we've done a good job of getting payments out to a lot of people, but we've not done such a great job yet of getting credit still, let's call it productive credit, or responsible credit. But, savings and insurance were miles behind on it, and I think there's still a lot of work to do there. And then, it really becomes a business model challenge. There are a lot of smart people trying to tackle this, but it's challenging.

Greta Bull: [31:41](#) And then, I think just the general disaggregation that we're seeing in the financial services value chain is interesting, and I'm not sure anybody knows quite how this is going to get put together, and whether it's going to lead to many crisis that require kind of re-consolidation. I think there's a lot of dynamism in this space, and my feeling is we're kind of just about to sort of move into the next big wave of innovation. There's a lot going on in Fin. Tech that's exciting, and then the big tech players coming in of course. I can't believe I haven't mentioned those guys yet. But, the big global companies that are data driven.

Greta Bull: [32:19](#) I think the challenge for them is figuring out how to get in, because you're still dealing with systems that have this analog, digital interface. And so, you've got people in the middle kind of controlling that, and then you've got to be able to connect with that system. You see these guys gravitating towards places where you have the infrastructure, and you have very few borders in a big population, so they're going to Asia, they're going to India, and particular ... Africa looks like a whole bunch of tiny geographies that have a lot of regulators in the mix, so I think that's hard. But, I think the big tech players are going to be important in this, and I think their secret sauce is they know how to manage data.

Jo Ann Barefoot: [32:59](#) Mm-hmm (affirmative).

Greta Bull: [33:01](#) Or, they know how to extract value out of data, let's put it that way. Managing data is maybe a different topic. I think there's a lot of dynamism with a lot of different players in the mix, and we're going to have to see how it settles in different geographies.

Jo Ann Barefoot: [33:15](#) Hmm. On the gender gap, what are the best strategies there?

Greta Bull: [33:22](#) Oh, this is a tough one.

Jo Ann Barefoot: [33:24](#) And, how much of it is about identity? That's a facet of it I know.

Greta Bull: [33:29](#) You know, I don't think you can talk about the gender gap in one homogenous way, because I think it manifests itself in different ways in different places.

Jo Ann Barefoot: [33:36](#) Mm-hmm (affirmative).

Greta Bull: [33:37](#) And, there are a lot of smart people trying to figure this out. But, my frustration on the gender gap is that there's a lot of talk about what the solution is, but not a lot of practical experimentation. With a few notable exceptions, and they're important. But, how do we really sort of lean towards pro-gender, pro-poor solutions? And, I think that requires going beyond the pink credit card, and thinking about what really is the barrier. I think a lot of it does come down to social norms, in some places it comes down to legal norms, it comes down to power dynamics in the household. And, I think we really need to think about particularly providers, thinking about what overcomes that. So we're looking at things like whether gig work, or social commerce, so there's a lot going on informally through Facebook for example. Creating marketplaces for informal trade, you know? That seems to be very female friendly.

Greta Bull: [34:38](#) But, we don't know enough about it yet. How do we get payments into the hands of women in a way that is private so they can hold onto it, and save it? How do we make sure women have access to credit that's going to help them grow a business, not just sort of survive? I think there's still a lot to do to understand what it takes to crack that gender gap, and I don't think we're doing enough collectively to really action some of that. But, I think that's the next wave. So we've signed up all of these people, now it's about deepening the engagement with the financial sector, and bringing in the sort of harder to get segments.

Jo Ann Barefoot: [35:26](#) I admire CGAP and these global NGO's like Gates, and Omidyar, and Flourish that are, somehow understand how to analyze a

gigantic, interactable problem. And then, figure out on the ground, concrete things you can do that are going to have an impact on it.

Greta Bull: [35:52](#)

Yeah.

Jo Ann Barefoot: [35:52](#)

That is a genius, it seems to me that I just ... that most of us don't have people tackle these three problems as you said earlier, and they just put that in the too hard to think about category.

Greta Bull: [36:04](#)

Mm-hmm (affirmative).

Jo Ann Barefoot: [36:04](#)

When you think about this, this way, what advice do you have for people who would like to work on systemic challenges like these. What are the secrets to figuring it out, or to bring in the right kind of people to the table?

Greta Bull: [36:20](#)

Oh, that's a really good question. I do think that kind of organization, and some are donors, some are kind of investors, some are thought leaders. They are actually really important roles for everybody to play, nonprofits. So, I think advice to people looking to get into it is figure out what drives your passion, and get involved. I think an organization like BRAC has had a huge influence on how we think about this stuff globally, right? They started out in microfinance. They are focused on the poorest of the poor, they have made a huge difference. But, they've also got into digital in a big way through Bcash. They're always evolving, always thinking about what to do. They're taking solutions to Africa, and they're a NGO. They're an enormous NGO, but I think finding those places where you think you can make a difference. You can point to dozens of these things, so there are lots of people advocating for different solutions. I think actually the long term answer is knitting together a lot of different solutions.

Jo Ann Barefoot: [37:25](#)

Mm-hmm (affirmative).

Greta Bull: [37:27](#)

You asked about the gender gap, I think there will be organizations ... You know, Women's World Banking's been focused on this for a long time. There are organizations that are really experimenting in that, then how you bring it into the bigger conversation. Same with rural. God, there are a whole bunch of organizations that have been really trying to crack

rural poverty generally, but inclusion of rural communities in the digital economy. Actually, just understanding rural communities, and the fact that it's actually not super stable in the sense of people go to cities, then they go back to rural areas, and there's kind of a constant migration of people moving around. I think people tend to think in static terms, the world's very dynamic. It takes, I think coalitions of people trying to come together to solve some of these things that, I think that's the really important thing.

Greta Bull: [38:18](#) If I think about what we want to do in financial inclusion, or finance for development is maybe even a better way to put it. Groups of organizations that are working to build tech enabled business models that are sustainable and can serve low income people, and we're not there yet. Making sure that consumers are both understood, and protected. And, understanding who those different consumers are, there's a ton of work to do around that. Building the stack, you know? It's stuff we take for granted here. We assume a bank account, a mobile phone, and an internet connection. None of that can be assumed in the markets that we're dealing with.

Greta Bull: [38:57](#) When I go to conversations about how the United States is thinking about some of these issues it's like, yeah, but you have to take away all these pieces and think about it this way, you know? It's a very different calculation. And then, the whole regulation and supervision question. Then for my industry, I think there's another aspect, which is impact. I think you mentioned Omidyar, and Financial Health Network, and all of these guys. I think they've done amazing work around framing financial health. But, in our markets it's not just about financial health, there's a whole impact conversation that's parallel too, but different. I think we have learned a lot in the last 30, 40 years about what drives impact. I think we've developed a much more nuanced view of what creates impact.

Jo Ann Barefoot: [39:45](#) [crosstalk 00:39:45].

Greta Bull: [39:45](#) [inaudible 00:39:45] some work in that area.

Jo Ann Barefoot: [39:47](#) When you say impact you mean in terms of the economic and social results?

- Greta Bull: [39:52](#) The way we define impact is getting poor people both opportunities to improve their lives, and resilience so that if they get hit with a shock, they don't fall back into poverty. It's giving people financial tools, at least in our case. But, there are lots of other tools, education, health, energy, a whole bunch of stuff. Some of which can be enabled by financial services that help people manage their lives. There are financial health aspects of it, but it's more because what we want to do is see people come out of poverty, and to get educated, to educate their children, and to build a more modern, equitable, growing society.
- Greta Bull: [40:33](#) I think there are different ways we can look at this. I think the financial inclusion community looked at it very narrowly previously, and I think we've now broadened the aperture to have a much better understanding of how financial services contribute to that opportunities and resilience cycle, because they're not different, they're related. We love to talk about financial services as speaking to one of those things, but if I take credit, most people say credit leads to opportunity. Well, credit also leads to resilience, so if you're a low income person and you need some money, a credit card can be a really good solution, just like digital credit can be a good solution. But, it's also a solution for building a business, but those are two different credit solutions, right?
- Greta Bull: [41:16](#) Any financial service speaks to both parts of that equation, and we need to think about it as a linked equation. Because if we don't, we may not get that impact that we're looking for.
- Jo Ann Barefoot: [41:30](#) This is an unfair question, but since you're so thoughtful I'm going to try it anyway. When you say this solution is going to come in knitting together solutions, and you talked about this earlier too, that somehow we have to build in the spaces between, and connect things differently, and so on. Do you have any secrets to that, other than to network like mad, and study everything?
- Greta Bull: [41:57](#) We do a lot of work in that space, and we find that kind of stack really important. I think it's about getting people to talk to each other who didn't before. We've done a lot of work bringing financial services providers, banks together with mobile network operators, so different kinds of providers to help them

understand the way they each see the world. So, interoperability in Africa, we've been managing conversations with the Gates Foundation support on having that conversation, and getting everybody to come to the table.

Greta Bull: [42:33](#) The whole regulatory sandbox movement is about getting regulators talking to providers. Gosh, that seems like a good idea, right? How do providers listen to consumers? If I look at the consumer protection space, one of my biggest issues with it is we tend to focus in one place. Like, it's the consumers fault, or it's the providers fault. Actually, the way we need to think about consumer protection is as a tripod. There's a role for government, there's a role for providers, and there's a responsibility on the part of the consumers. And so, how do we make sure that, that tripod is standing on all three legs? And making sure that consumers are protected, and they do have recourse if something goes wrong.

Greta Bull: [43:10](#) I actually think all of this stuff takes coming together, and the more we have a digital economy that runs on data and connectivity, the more those pieces have to come together. We see this a lot in the markets that we work in. Data lives in silos, and people instinctively know that it's a value, so they hoard it. They grab it, and they hoard it, and then they don't know what to do with it, where there's a company over there that might be able to make perfectly good use of it. A lot of our partners have come a long way on this stuff, right? Five years ago if you had asked about interoperability in switches they would have gone, "Huh, we don't want to talk about that." Now they're like, "Yeah, we need that."

Greta Bull: [43:52](#) Same with data. They understand it's a resource, and they understand they need the skills. I think it's about piecing together the skills, the technology, the business models, and the capabilities. Plus the rules that sit around it, that's going to really make this come together. Because, we have a lot of infrastructure work still to be done that we take for granted here. Let's remember that the intranet in the US was created as a public good-

Jo Ann Barefoot: [44:18](#) Yeah, it was.

Greta Bull: [44:18](#) ... that came out of the Department of Defense.

Jo Ann Barefoot: [44:21](#) Mm-hmm (affirmative).

Greta Bull: [44:21](#) I think there's a lot of space for that kind of investment.

Jo Ann Barefoot: [44:27](#) I could listen to you all day. What haven't we talked about that we should?

Greta Bull: [44:31](#) Oh, gosh. I think we've covered most things. Well okay, I guess one other thing that I like to talk about a lot, this is a long term game. We are not going to solve this problem over night. A lot of people I think are like, "Wow, look, we've made all this progress, we're done."

Jo Ann Barefoot: [44:53](#) Mm-hmm (affirmative).

Greta Bull: [44:54](#) And, we're not. We've only really just begun. I think big campaigns can solve problems, but this is complicated. It connects with the World Financial System, it involves many different kinds of players. There are issues around the movement of money around the world that are complicated, there are issues around the movement of data. I think patience and a long view is really, really important in emerging markets, financial inclusion. And, we have to help build firm foundations for all of that, and that just takes time.

Jo Ann Barefoot: [45:35](#) Every now and then we do a show that is just packed with insight and new knowledge, and this I'm sure is going to be a favorite of mine, and of everyone who listens to it. It's just been fascinating to talk with you. Where can people get information about CGAP?

Greta Bull: [45:53](#) Our website, CGAP.Org. Everything we publish is there. We also have a sister website that's called the FinDev Gateway, where we publish both our work, but also the work of partners. We're a big partnership, we like working with other people. You can find a lot of stuff there, we do webinars. You can find us on Twitter, so we just like getting the message out, so there are lots of places to find us.

Jo Ann Barefoot: [46:18](#) We will put all those links in the show notes. Greta Bull, I cannot thank you enough for being our guest today, it's been wonderful.

Greta Bull:

[46:26](#)

Thank you, it's been a delightful conversation.