The most important constituents of the ecosystem that make for progressive economic inclusion in the developing world are Connectors. These individuals provide ideation, sustenance, support and maintenance for those seeking to attain a greater degree of economic inclusion for themselves and their families. MasterCard has identified five global Connector archetypes that can fill this role in the journey to inclusion that so many in the developing world are contemplating or engaged in.

• The Connectors are: The Mentor, The Introducer, The Migrator, The Role Model and The Business Influencer

• These archetypes are applicable throughout the developing world

• The Connectors’ roles are assumed on the part of individuals at different stages of the inclusion journey, and are not permanent identities

• The Connectors, because they are archetypes, rather than individuals, and because they can be assumed on the part of anybody with access to capital, knowledge and employment, are scalable as Public Private Partnerships (P3s) seek to attain points of contact in individual markets

• The Migrator and Business Influencer represent Connectors that provide the maximum leverage for players in the P3 ecosystem

There is an old Nigerian proverb that says: “In the moment of crisis, the wise build bridges and the foolish build dams.” The same can be said about the journey toward economic and financial inclusion programs. Each year, they are defined less by obstacles and more by the bridges built by unique partnerships among governments, private companies and non-government agencies (NGOs).

As these P3s gain momentum across the world, there is parallel progress in learning the unique qualities of people on the fringes of the economic system, locally, nationally or globally.

For example, to illustrate the momentum of P3s, MasterCard recently completed a partnership between the government of Egypt and the Egyptian Banking Corporation that will enable 54 million Egyptians to contribute to the formal economy by linking their national identification tokens to the national mobile ecosystem. While it is a prime example of leveraging the power of P3s, it also underlines the need to understand those 54 million beneficiaries in Egypt. As recently stated by The World Bank in its March 2015 report, Human Decision Making and Development Policy, the “processes of devising and implementing development policy would benefit from richer diagnoses of behavioral drivers and early experimentation in program design.”
Bridges are also being built among people who will benefit from economic and financial inclusion programs. The current study, “The Connectors Project,” amplifies the opportunities afforded by access to capital, knowledge and employment. It identifies two key archetypes among five connector profiles — Migrators and Business Influencers — that can help all stakeholders in P3s scale their involvement in inclusion programs. The Connectors Project can contribute to the dialogue on understanding the beneficiaries of economic inclusion programs and the design and implementation of those programs.

The report’s key findings were drawn from qualitative and quantitative research conducted by MasterCard Global Insights during September and October 2014. Thirty-two in-depth personal interviews and more than 30 intercepts were collected across four markets: Egypt, Indonesia, Mexico and India. The qualitative study focused on two groups, street vendors and domestic workers, because of their tendency to remain outside the “official” economic ecosystem while still maintaining a sustainable income level. Their quotes are included in the report. The quantitative work focused on a cross-section of income levels in the same markets.

The study’s qualitative findings begin with the importance of networks. Harvard University’s Kennedy School Professor Ricardo Hausmann has published several papers on the importance of networks in the process of inclusion. The Connectors Project builds on that work by showing how networks are the breeding ground for Connectors. Almost every one interviewed in our research accessed a network different from her own to grow her resources and acquire the knowledge and financial means she in turn shared with employees, family members and others. Connectors exist within and between networks. The dynamics of finding them and as well multiplying their power is driven by the network. A Connector is an individual who provides full access to the resources of existing networks, expands contact with other networks and allows migration between networks.

A Connector reveals existing but undiscovered opportunities and provides the ways to access knowledge, employment and capital, the three elements of economic inclusion that enable individuals to grow their wealth and establish their prosperity. Those whom connectors have touched in turn can become connectors for others, diversifying each individual’s role in the overall economic system and pushing the path to prosperity forward for a new generation. The roles that connectors and networks play in the lives of people in the developing world are the principal drivers of economic inclusion.

“You will not jump classes, no matter how smart you are. In one way or another this is human nature, this is everywhere. Connections are everything”—Seif, Cairo

“I’m living with my cousins here. When I got here my cousin knew the owner of this place and she helped me get this job.”—Aurora, Mexico City

“Networking connects you to opportunities. I reached out to my network to find out about what I needed. I found one who had frozen food and another who knew different parts.”—Dama, Jakarta
Connectors are not identities borne by individuals through life: They are personae assumed by individuals at different stages of their own journeys to prosperity, and as such can be accessed and retired at will.

The Connectors Study identified five different archetypes that comprise the world of Connectors. The distinctions are important to each constituent of P3s. The five connector archetypes build bridges. They can serve as agents of advancement.

1. **Mentor**
   Mentors guide individuals based on the individual Mentor’s advanced level of experience and wisdom. They have a personal, trusted relationship with their mentees. The archetype Mentor is often an employer who provides greater support and advice than a professional relationship can entail in the developed world; a Mentor can also be an older family member. Mentors can provide access to all or one of the following: knowledge (e.g., apprenticeship), employment (connections to job opportunities) and capital (loans and donations)

   “[My boss] said it’s for my life. She said just do the course while you’re working...” — Imas, Indonesia

2. **Introducer**
   Introducers are trusted members of the community who expose their community to products and services. In distinction to Mentors, Introducers are based on peer-to-peer personal relationships.

   “My mother and brother have a credit card, I would like one in the future to pay for things on the spot...”
   — Hugo, Mexico
3. Role Model
Role Models influence from afar and lead by example. They are positive examples of attributes or actions that inspire others. Role Models can be collective (companies), respected individuals (community/religious/political leaders, celebrities, teachers) or simply acquaintances. People learn from them by example. Role models demonstrate forms of strong financial management, new ways to run a business and the importance of education.

“In the USA I saw how the work I would do in Mexico for a day would take one hour because they had a machine to do it. Now that I’m back here I bought this sanding machine — I can do it so much faster now. It was in investment in my business.” — Gabriel, Mexico City

4. Migrator
Migrators are unique because they have ties to communities beyond where they live and work. They remain connected to their hometown villages through family and friends. Their strength lies in their ability to directly impact their hometown based on resources acquired in their city of residence, as well as provide their hometown community with employment opportunities in their city of residence. Migrators support educational efforts in their home villages by sending funds and materials; they also provide connections to job opportunities in the city and send money to family and friends.

“Before I left, I never had a bank account. I never had a chance to have extra money to save it. I opened a bank account when I was in California. My mom opened it for me here in Mexico and I would send her money.” — Gabriel, Mexico City

5. Business Influencer
Business Influencers exist in the world of professional relationships and provide connections to education, employment or capital in ways that benefit all parties in the information exchange. Influencers often provide the catalyst for employees, clients and suppliers for increased engagement in the formal sector.

“I give the person that works with me lessons. Share half of profits with him. Sent him to a course because in the beginning he didn’t understand.” — Hugo, Mexico
The two most important connectors in terms of impact and scale are the Migrators and Business Influencers. The Connector Study analysis showed that both have the highest capacity to impact the journey toward prosperity and inclusion as well as the reach to scale that capacity. Migrants showed the common role of connecting the subjects to remittances, which have been singled out as the key to using payments products and hence moving toward a more formal financial system. A December 2014 study from MasterCard Advisors shows that financial inclusion is a progression with payments as the optimal entry point and that usage of financial products must be an explicit goal, along with access to them. Business Influencers play a critical role in connecting to formal bank services and governmental services. The bank accounts, permits and other regulatory connections happen through Business Influencers. They were also shown to be the key connections to capital. Because Business Influencers are usually more experienced and savvy they are the most important connector in terms of reaching one-to-many relationships and their ability to influence the journey toward opportunity at scale. The Connectors Project assigns roles, descriptions and patterns to a journey toward inclusion. It can move every stakeholder in the P3 structure toward the critical moment when the subject assumes the identity of Business Influencer or Migrator in another’s inclusion journey.
The Connectors Project also used the qualitative analysis to move toward a model of the journey to inclusion. This model shows the major milestones of the journey and those places along the way over which the Connectors have influence. Included below, for example, is Sapan’s journey. Note that the two connectors who Global Insights has isolated as the most important play very prominent roles. Note also that the journey lasts more than 20 years and at the end, Sapan himself becomes a Migrator. The journey to inclusion ends with the person who started becoming a connector. This last is a capital point. The Connector archetypes are not individual identities but roles are assumed as needed. This dynamic makes governments’, NGOs’ and business’s task in reaching them at scale that much more difficult — though not impossible.

The strength of the Connectors Project is amplified in identifying a scalable framework for advancing inclusion. By naming the Connectors, and the points on the inclusion journey at which they provide the maximum leverage, the Connectors Project allows visibility into the situation on the ground in the developing world, with the end of view of providing maximum support for inclusion program beneficiaries.

This represents a fundamentally different approach from top-down inclusion programs. By mapping the journeys as it exists on the ground, the Connectors Project allows governments, NGOs and private business to reach the maximum number of subjects for inclusion based on their own view of the situation, and on the structures and challenges in place.
Finding the Migrators and Business Influencers is relatively easy on a local scale. Many public and private companies have cultivated savings clubs and local business organizations to aid in locating the people who need help on the way to inclusion and the Connectors who can enable the journey. Scaling that effort, however, is a different matter. Making the Connectors foundational provides a secure, and most important, realistic basis that respects local conditions, local variables and consumer needs.

One way to look at the Connectors Project is to imagine it as an inversion of the traditional marketing “funnel” through which a broad population has to pass before qualified prospects emerge at the other end. With each constituent of the P3 ecosystem acting as a “pipe” through which to reach Connectors, governments, NGOs and private business can apply maximum leverage at the point where it can do the most good: the Connectors, and most important, the right Connectors at the right time.

For the Connectors Project and scale for inclusion programs to intersect, P3 stakeholders might need to turn to another area to which each brings unique skills: marketing. Just as the Connector framework inverts the marketing “funnel” to provide points of contact with Connectors on the ground, we see Connector Marketing unfolding in two phases:

**Phase One: Analog Programs**
A mix of government program messaging, location-based marketing and technology adoption can accomplish scale. Example: If a bank wants to identify Mentors and Business Influencers to support a new benefits program on a local level it could follow this suggested model:

Bank – Identifies Physical Locations – Creates Incentives for Mentors and Influencers – Creates Collateral – Creates Feedback Loop for Groups and Further Information.

**Phase Two: Data**
The phrases “big data” and “the underserved” are rarely seen together. But they represent the richest opportunity for taking a long-term view for scaling economic inclusion programs and the best way to approach the practice of “influencer marketing.

“Advanced analytics can support financial services for the poor in many ways,” reported CGAP in September 2014. “These include simplifying activation processes, accelerating customer product adoption, improving providers’ mobile money service offerings, strengthening fraud detection and monitoring systems within countries, and providing key inputs into product design decisions.”
The data-based approach to identifying influencers and scaling inclusion programs could work in the following phases:

1. Mobile penetration rates and usage patterns continue growth rates, producing consumer data as they grow.
2. Mobile payments continue growth rates, producing more specific data on income and spend behavior.
3. Mobile devices then lead to social media usage, exponentially increasing unsecured but valuable data on product affinities and local networks.
4. P3s can share data to identify key connector profiles including Migrators and Business Influencers creating scale for key messaging, product usage and eventually influencer marketing.

The challenge to finding Connectors and scaling their role in financial inclusion may actually come down to a more traditional business-focused perspective. In the short-term, governments and technology will drive numbers. In the long-term, the data that drives finance from even the most affluent levels will be more important. The long-term view says that all members in the P3 equation will learn more about their customers. The long-term view builds bridges to the future.

**Government Programs**
According to The World Bank, almost every country in the world has some kind of government-sponsored financial inclusion program. A 2014 report from The Economist and Citi showed that of the 55 developing markets they studied, all have active financial inclusion programs, with Latin America leading the way in terms of effectiveness. Government programs provide immediate scale and a structure to find the influential local organizations that can identify Connectors.

“The private sector knows technology and product development,” MasterCard International Development Vice President Salah Goss recently wrote. “They don’t know as much as governments or development agencies about ways to work with the disenfranchised and excluded. Together they can speed innovation by pairing tech with actionable in-country intelligence that empowers a viable business model right-fit for the environment and population.” The Connectors Project provides the framework for applying that in-country intelligence.
There is much more to financial inclusion than simply opening accounts,” says M.S. Sriram, visiting faculty at the Centre for Public Policy at the Indian Institute of Management in Bangalore. “The state needs to put its resources to ensure that the infrastructure backbone is available — which means that there is ubiquitous presence of interoperable point-of-sale devices that allow people to transact without a hefty fee ... Once this architecture is available, the poor will start transacting.”

That is to say, payments technology combined with government programs are a scale driver. Banks will need private companies for technology infrastructure and advice; NGOs will need to provide research and on-the-ground insight. The messaging around mobile payments, for example, will need to be different for a Mentor than for a Business Influencer. And the final emphasis on Migrators and Business Influencers can inform the targets and messaging needed to make an impact.

Partnerships
Each member of the P3s can bring unique perspectives in the identification of Connectors and in scaling the approach to them. For example, U.S.-based YouthBuild President Tim Cross recently told a Tufts University conference that the ability to identify and scale program participants is the number-one priority in identifying partners. YouthBuild currently works with Prudential Insurance as a key partner not only for financial help but for recruiting.

Physical Location Marketing
Physical location marketing: As each member of the P3 ecosystem looks to expand new concepts and technologies (mobile payments and banking being the most important), they need to look toward physical locations as a marketing and distribution hub. In each journey collected in the Connectors Project, each subject had to interact with a living individual to get a permit of some kind, or a mobile phone. For example, 17 million Kenyans use M-PESA. While the physical locations are not sophisticated (often shacks in the village), they can be leveraged as a location to identify Business Influencers and disseminate materials that will help people understand the advantages of economic and financial inclusion. Post offices, garment factories, retail locations, doctors’ offices and mobile phone retail locations have been leveraged for information purposes. They can also be identification opportunities for the Connectors.
The Connectors Project provides a framework for NGOs, financial institutions, governments and private companies seeking to uncover and smooth pathways to inclusion in the developing world. As Hausmann says: "A strategy for inclusive growth must empower people by including them in the networks that make them productive. Inclusiveness should not be seen as a restriction on growth to make it morally palatable. Viewed properly, inclusiveness is actually a strategy that enhances growth."

We have identified the following recommendations to leverage the findings from the Connectors Project. Here we include our analysis, quotes from the qualitative study and supportive findings from the quantitative research:

**Promote education and training programs that are linked to job opportunities.**
In short, education does not need to be formal and institutionalized. The operative word is not “education” but “knowledge.” Participants of the study indicated a gap between receiving education and finding a suitable job afterward. The power of Connectors lies in their ability to introduce people to knowledge sources and skills that allow them to pursue job opportunities that are in fact available and suitable. Our quantitative shows that respondents do not believe there is any dearth of formal education; however, 50 percent strongly agree that more focused education and job training would be beneficial to them.

In-depth interviews and survey respondents show that time, cost constraints and low return from investment in terms of job opportunities has pushed education lower on priority list.

### Reasons for opting out of higher education and job training services (Number of total responses)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not have time to use them</td>
<td>101</td>
</tr>
<tr>
<td>They cost too much</td>
<td>96</td>
</tr>
<tr>
<td>I do not need them or they are a low priority</td>
<td>95</td>
</tr>
<tr>
<td>I do not know enough about them</td>
<td>62</td>
</tr>
<tr>
<td>There are no good options near me</td>
<td>37</td>
</tr>
<tr>
<td>People like me are not allowed to use them</td>
<td>17</td>
</tr>
<tr>
<td>I am legally unable to use them</td>
<td>16</td>
</tr>
<tr>
<td>It is not worth the effort required to use them</td>
<td>15</td>
</tr>
<tr>
<td>It is not safe for me to use them</td>
<td>11</td>
</tr>
</tbody>
</table>

Respondents opt out of higher education and job training (a long-term investment) because of time constraints, cost and the presence of other more pressing priorities.


**Establish incentives and social support for women to participate in education.**

For women in much of the developing world, marriage is a non-optional obligation to family and community values. Education often is viewed with suspicion. However, it is clear from MasterCard’s Connector research that building direct incentives for family and community facilitates the journey toward inclusion. It can take the form of material support (communal services, infrastructure improvements), increased security or the establishment of social programs that promote the benefits of education of women for the communities they live in.

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**My gender makes it difficult for me to get a job or credit**

(Percentages reflect women only)

- **46%** Disagree
- **22%** Agree
- **12%** Strongly agree

Discrimination is not readily reported — 34 percent of women agree that gender makes it difficult to get a job or credit.
How to Apply the Key Findings

Build trust with women who are financial managers and roles models in the community:
Women who are the heads of their households, managing children’s education along with the family resources, hold the reins as to how money is spent. The limited resources at their command is often in inverse proportion to their shrewdness in managing them. By taking the measure and designing products, programs and services fitted to the needs of such women, financial services institutions can give them the tools to control their interaction with the institution — an important step in building trust and helping them in turn become effective Connectors.

Do you own a bank account?

In India and Egypt women are significantly less banked than men.
How to Apply the Key Findings

Offer simplified banking products that include both saving and payment functions as an entry point to financial services:
For communities and individuals in the developing world sending money to family and their communities (e.g., remittances) for support and emergencies outweigh the need for storage and payment. By enabling the Migrators, financial services companies have the opportunity to reach a large network of people in remote areas.

Do you own a bank account?

Remittances may be a reason for opting into bank account ownership, especially for low-income individuals.
How to Apply the Key Findings

Build trust with financial literacy:
Start by addressing the concerns of cost and lack of benefits. People have an idea of what a bank account is, but think it is elitist and an exclusive solution for rich people. By demonstrating how the bank can help people save, keep their money secure and serve needs for sending money to family, or paying for utilities, banks can democratize their services and demonstrate they are within the reach of all.

“I ask my old friends from secondary school for loans when I need money. We don’t see each other that much but if I need help she never lets me down. And there’s no interest. She doesn’t charge me a dime. That’s why I don’t borrow from a bank.” – Susana, Mexico

Percent of respondents who claim one reason they “opt out” is they don’t know enough about the services

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unofficial banking services</td>
<td>24%</td>
</tr>
<tr>
<td>Public welfare</td>
<td>31%</td>
</tr>
<tr>
<td>Higher education and job training</td>
<td>16%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>30%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>13%</td>
</tr>
<tr>
<td>Comms technology</td>
<td>19%</td>
</tr>
<tr>
<td>Official banking services</td>
<td>20%</td>
</tr>
</tbody>
</table>

Being uninformed about how services work is a major barrier to use of services.
Everyone in the P3 ecosystem has the same goal in view: reach the maximum number of individuals and families with the tools they need to progress along the spectrum of economic inclusions, and provide the tools that enable them to tap into the resources of knowledge, capital and employment in their localities.

The Connectors Project began with an attempt to swing the camera around: to look at the challenges of those with a way to go on their journey to inclusion from their perspective. The project has revealed that these subjects’ progress on those journeys is in direct relation to their contact with Connectors. Find the Connectors, and, just as important, find the Connectors at the right moment, and the relatively excluded can move along the journey to full inclusion in the economy of their municipalities and their countries, and, thanks to technology, the global economy as well.

At the end of the day this becomes as much a marketing issue as anything else. There is no dearth of programs, partnerships and products available to those with a journey to inclusion before them. But by identifying the Connectors — especially the Migrator and the Business Influencer — the Project’s framework provides visibility of the points of contact that can make the maximum difference. Each constituent of the P3 ecosystem can provide the scale necessary to reaching the maximum number of Connectors that will make the greatest difference in the lives of people in the developing world.

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1 http://www.worldbank.org/content/dam/Worldbank/Publications/WDR/WDR%202015/Overview-English.pdf

2 http://www.project-syndicate.org/commentary/inclusiveness-key-strategy-for-growth-by-ricardo-hausmann-2014-11


4 http://www.cgap.org/blog/how-analytics-drive-innovative-financial-services-poor


6 http://knowledge.wharton.upenn.edu/article/financial-inclusion-india-aims-move-beyond-bank-accounts/

7 http://www.project-syndicate.org/commentary/inclusiveness-key-strategy-for-growth-by-ricardo-hausmann-2014-11#88ml0qKSZloEgWboq,99

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