Regulating Exclusions? Gender, Development, and the Limits of Inclusionary Financial Platforms

Abstract

Digital financial inclusion platforms have gained increasing attention as instruments for economic growth which also contribute to development goals such as poverty reduction and gender equality. One of the most acclaimed digital financial platforms to date is M-Pesa (M for mobile, *pesa*, Swahili for money) in Kenya, a mobile-phone-enabled money transfer service realised via a public-private partnership between the UK's Department for International Development, Vodafone and its local partner Safaricom. Since its launch in 2007 M-Pesa has grown at a phenomenal rate and it is now used by over 70 per cent of the Kenyan population. Bringing together socio-legal enquiry, feminist political economy analysis and postcolonial literature, this paper discusses M-Pesa's inclusionary regulatory arrangements and examines their implications for gender equality. It shows that while these arrangements contribute to including women in the formal financial system, they fail to adopt the redistributive measures necessary to address the gendered socio-economic disadvantages that cause and reproduce financial exclusion.

Keywords: gender justice, post-coloniality, law development, digital platforms, financial inclusion, Kenya

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Introduction

Financial inclusion is a key feature of the global development project and is promoted as an instrument for sustainable growth contributing to attaining to the United Nations' (UN) Sustainable Development Goals (SDGs).[1] International organisations, governments, donors and corporations increasingly acclaim the use of digital platforms for facilitating access to formal financial services, particularly in countries of the Global South with limited infrastructure and resources. For instance the G20 Principles for Innovative Financial Inclusion, adopted following the 2008 financial crisis, strongly support the idea of financial innovation through new forms of financial service delivery that are capable of reaching the excluded via routes such as branchless banking and payment services available through postal and retail outlets and shops.[2] Such digital financial platforms rely on institutional arrangements between different actors and offer those excluded from the mainstream banking infrastructure affordable and secure access to formal financial services.

One of the most-discussed digital financial inclusion platforms to date is Kenya's M-Pesa, a mobile-phone-enabled money transfer system established via a public-private partnership between the UK's Department for International Development (DFID), Vodafone, and Vodafone's local partner Safaricom. Since its launch in 2007 M-Pesa has grown at a phenomenal rate to reach over 70 per cent of the Kenyan population across the geographical, socio-economic and gender divides.[3] A key element in this rapid expansion has been the Central Bank of Kenya (CBK)'s 'test and learn' approach to its regulation, adopted to supervise

[1] The SDGs are a set of human development goals supported by specific targets and indicators, to be achieved through global cooperation. They replaced the Millennium Development Goals (MDGs) that were adopted in 2000 with the failed aim of attaining them by 2015. The post-2015 development agenda, building on the MDGs, led to the adoption of the SDGs in 2015 with the aim of achieving them by 2030. See General Assembly, *Transforming Our World: the 2030 Agenda for Sustainable Development*, A/RES/70/1, 21 October 2015.

[2] See G20 Innovative Financial Inclusion Expert Group, Innovative Financial Inclusion: Principles and Report on Innovative Financial Inclusion from the Access through Innovation Sub-group of the G20 Financial Inclusion Expert Group, 2010. <https://www.gpfi.org/sites/gpfi/files/documents/Principles%20and%20Report%20on%20Innovative%20Financial%20Inclusion_0.pdf> accessed 29 April 2019.

[3] See S. Di Castri and L. Gidvani, *The Kenyan Journey to Digital Financial Inclusion*, GSMA, July 2013 <http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/07/MMU-Infographic-The-Kenyan-journey-to-digital-financial-inclusion.pdf > accessed 30 April 2019. According to Safaricom's 2018 Annual Report M-Pesa currently has 20.5 million active customers <https://www.safaricom.co.ke/images/Downloads/Safaricom_annual_report_070818.pdf> accessed 30 April 2019.

the platform while remaining open to new providers and products. This approach has been acclaimed as a successful regulatory practice for digital financial inclusion.[4]

This article examines the role of regulation in the development of digital financial inclusion platforms by focusing on the case of M-Pesa in Kenya. Bridging socio-legal enquiry and feminist political economy analysis and drawing on insights from law and development and postcolonial scholarship, it illustrates M-Pesa's inclusionary regulatory arrangements and analyses their implications for gender equality.[5] While gender equality, often simplistically equated with the number of women with access to financial services, is promoted as a key objective of digital financial inclusion, this analysis calls into question the same rhetoric of financial inclusion in development discourse. The gender aspect of digital financial inclusion is both relevant and revealing, not only because women have predominantly been portrayed among the financially excluded for various historical, structural and regulatory reasons, but also because an investigation of gender relations can help with recognising and examining the social, economic, and legal elements that determine and reproduce financial exclusion.[6]

The first section provides an overview of the relationship between gender, development and financial inclusion, examining how colonial norms contributed to the financial exclusion of women and how the development project has progressively aimed at their 'conditional' inclusion in the financial system. The analysis traces the shift from microcredit to microfinance to digital financial inclusion, highlighting the increasing involvement of the private sector in development interventions. The second section discusses the making of M-Pesa's inclusionary infrastructure, focusing on its regulatory arrangements and how these have contributed to financial inclusion while expanding the mobile money market to areas typically outside the purview of financial markets. The third section examines the articulation of the M-Pesa's

[4] See Muthiora (2015) *Enabling Mobile Money Policies in Kenya: Fostering a Digital Financial Revolution*. London: GSMA. <https://www.gsma.com/mobilefordevelopment/resources/enabling-mobile-money-policies-in-kenya-fostering-a-digital-financial-revolution/ > accessed 30 April 2019; and GSMA (2018) *Mobile Money Policy and Regulatory Handbook*. London: GSMA. <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/09/GSMA-Mobile-Money-Policy-Handbook-2018.pdf > accessed 30 April 2019

[5] As part of the socio-legal enquiry I conducted research in Nairobi, Kenya from November 2012 to January 2013, and followed this up in 2015. Fieldwork included participant observation; focus groups with M-Pesa users in the areas of Kawangware, Ngando and Mathare; and semi-structured interviews with relevant institutions including financial institutions, mobile network operators (MNOs) and mobile money-related institutions, governmental and non-governmental organisations, regulatory institutions and research centres.

[6] According to the 2017 World Bank Global Findex, 56 per cent of those financially excluded are women <http://www.worldbank.org/en/programs/globalfindex/overview> accessed 30 April 2019.

regulatory arrangements and the gender implications of the projects, products and services built on its infrastructure. It shows how the M-Pesa platform has been used to provide fee-based and debt-based access to fundamental resources and services such as healthcare and electricity, often exacerbating gender inequality by charging women with the responsibility for transforming the opportunities that M-Pesa offers into improved livelihoods for themselves, their households and their communities.

This article argues that although digital financial platforms such as M-Pesa are promoted as instruments for economic and social development, they are regulated according to a logic of opportunity rather than a politics of redistribution, creating a secure source of profit for the institutions involved in the digital financial inclusion business without redistributing the income and funding deriving from its development to benefit the financially excluded. While the lenient regulation of digital financial platforms can contribute to increasing the number of women with access to financial services, its institutional arrangements fail to use M-Pesa's revenue to address the gendered social and economic disadvantages that cause financial exclusion in the first place.

Gender, Development and Digital Financial Inclusion

The law plays an important role in defining the socio-economic conditions that determine both financial exclusion and the barriers to accessing financial services. The SDGs encourage reforms 'to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws' (UN SDG Goal 5A on gender equality).[7] The World Bank report *Women, Business and the Law 2016: Getting to Equal* (2015, p. 17) points out that law, regulation and policy should facilitate women's access to credit and other financial services as a key factor for gender equality. International organisations including the UN, the International Monetary Fund (IMF) and the World Bank as well as governments, corporations and donors present financial inclusion as a precondition of women's autonomy and future wellbeing that helps them to cope with a lack of resources and unexpected events, engage in productive activities and juggle paid and unpaid work (Allon, 2014). In addition to these benefits, digital financial platforms have been acclaimed as a way of overcoming the

[7] SDG Goal 5 < https://sustainabledevelopment.un.org/sdg5 > accessed 30 April 2019.

limitations of cash, increasing women's security and efficiency and in the long term, improving their own, their communities' and their countries' wellbeing in line with the Gender Equality as Smart Economics narrative (World Bank, 2006, 2012).[8]

To understand the nexus between financial inclusion and gender equality in development discourse, however, it is important to clarify how the laws and regulations introduced during the colonial era created key conditions for gendered financial exclusion. As this article is concerned with digital financial inclusion platforms in Kenya, the main focus of analysis is on Sub-Saharan Africa. Okeyo (2005) points out that while under colonialism, men and women shared a similar subordinate structural position in relation to the dominant Western countries, colonial rules had a differential impact on women and men and affected the relationship between them. First, the commodification of land and the introduction of property rights favoured men, who gained the status of household head (Manji, 2006; Maathai, 2008; Federici, 2011). Second, the introduction of the wage economy targeted men as paid workers and family breadwinners, relegating women to the position of secondary workers (Boserup, 1970; Manji, 1999; Okeyo, 2005), framing them as dependent on men and mainly responsible for unpaid social reproduction work. Social reproduction refers to the social relations, processes and labour that go into the daily and generational maintenance of the population (Katz, 2001; Picchio, 2003; Bakker and Silvey, 2008), and involves 'the provision of material resources (food, clothing, housing, transport) and the training of individual capabilities necessary for interaction in the social context of a particular time and place' (Picchio, 2003, p. 2). Third, customary laws, filtered according to colonial values via the repugnancy clause, facilitated the subordination of women in areas such as property rights and domestic and family law, including marriage, divorce, inheritance, and land and burial rights (Stamp, 1991; Juma, 2002; Banda, 2003; Ocran, 2006).[9] Women became adversely affected by customary systems as they were not allowed to own or even inherit property and capital, which they needed in order to access formal finance (Guyer, 1991). This contributed to their exclusion from the paid

[8] The Better than Cash Alliance, a consortium of donors, international organisations, governments, and corporations set up in 2012 to adopt measures in support of digital payments, has been particularly influential in supporting the digitalisation of cash transactions. See <https://www.betterthancash.org/ > accessed 3 May 2019.

[9] The repugnancy clause was introduced as a method for filtering out any customary law deemed repugnant to British culture, which meant that anything found appalling, ridiculous or unhelpful to the inculcation of Western ideals could be banned. By introducing the repugnancy clause the British became the arbiters of what was 'just' and 'moral' in African society. Scholars note that the introduction of the concepts of 'justice', 'morality' and 'dignity' in the advocation of women's rights in the postcolonial period adopted the same words that some colonisers used to define what was non-repugnant. See for instance Banda (2003) Global Standards: Local Values. *International Journal of Law, Policy and the Family* 17(1), 1-27.

economy and financial services, which in turn resulted in the formation, especially among women living on a low income and in rural areas, of self-help groups and rotating credit and savings associations (ROSCAs), which are still regarded as a major informal financial practice, particularly in the Global South (Ardener and Burman, 1995; Oduol and Kabira, 1995).

Since Esther Boserup published the UN-commissioned study *Women's Role in Economic Development* (1970), showing the exclusionary impact of colonial regulations on women for the first time, international development institutions have promoted projects and measures for the economic inclusion of women. Boserup (1970) showed how the wage economy that targeted male workers had disturbed earlier complementarity in food production and household management, resulting in the separation of women's unpaid social reproduction work from waged labour and excluding them from not only economic development but also education, rights and entitlements. From this perspective the international development project can be seen as a process of offering women a variety of conditional opportunities for economic inclusion. The idea of conditionality is a very important aspect of this inclusion, as it ties economic opportunities to specific disciplinary conditions such as becoming a micro-entrepreneur or instrumental evaluation of who 'deserves' inclusion (Lairap-Fonderson, 2002). Access to formal financial services has increasingly become a key instrument of such inclusion. This relationship between financial inclusion, gender equality and development can be explained by three main shifts: from subsidised lending to microcredit; from microcredit to microfinance; and from microfinance to universal financial inclusion.

In the immediate postcolonial period access to finance seemed a secondary concern to both Western and local governments and international financial institutions such as the IMF and the World Bank, which tended to view the challenge of economic development as a matter of building visible infrastructure such as roads, power plants and canals (Caufield, 1996). However, people living on a low and irregular income, particularly women, were already using forms of informal finance such as self-help groups, ROSCAs and moneylending practices to manage their everyday needs (Geertz, 1962; Bouman and Houtman, 1988; Austin and Sugihara, 1993; Ardener and Burman, 1995). Early donor-founded and state-led poverty lending programmes provided small farmers, usually male household heads, with subsidised credit (Rankin, 2013, p. 553); however, the IMF and World Bank considered this inefficient and expensive (Roodman, 2012).

For these reasons the grassroots microcredit experiment started by Muhammad Yunus in 1976 in Bangladesh, which held borrowers fully accountable for repaying their loans, was soon acclaimed (Yunus, 1999). Microcredit, modelled around informal savings and credit schemes such as ROSCAs, involves the extension of small collateral-free loans to jointly-liable groups of poor women, to be used for income-generating activities mainly in the form of micro-entrepreneurship.[10] This new development credit system marked a shift in approach from state-subsidised universal access to credit for male-headed households to 'third-sector microfinance institutions targeting poor, rural women as entrepreneurial agents' (Rankin, 2002, pp. 11–12). Microcredit became central to the neoliberal development agenda that introduced the Structural Adjustment Programmes (SAPs) of the 1980s and 1990s with the aim of liberalising and globalising former colonies' economies.[11] SAPs contributed to the internationalisation of microcredit and various development institutions from non-governmental organisations (NGOs) to donors and financial institutions incorporated microcredit into their activities. However, research has shown that SAPs increased economic and social inequality, with gender implications. Their focus on marketisation, cuts to public expenditure and privatisation of social services disproportionately affected poor women, increasing their burden of social reproduction and forcing them to take informal and insecure jobs (Elson, 1989, 1991a, 1991b; Beneria, 2003; Bergeron, 2004; Jaquette and Summerfield, 2006).

Following criticism of SAPs and adoption of the UN MDGs in 2000 (Rittich, 2006), microcredit has increasingly been promoted as an instrument for achieving social goals such as poverty reduction and gender equality, and 2005 was proclaimed the International Year of Microcredit. The fact that microcredit predominantly targets women and that most borrowers are female was initially considered proof that it was a successful project for women's empowerment. However, feminist and critical development scholars have long examined and problematised these potential gains, pointing out the patriarchal control over female borrowers both in the household and by the microcredit institutions themselves (Goetz, 1996; Rahman, 1999; Kabeer, 2001); the gendered notion of shame used as a social control mechanism to

[10] The typical microcredit contract, referred to as the Grameen model, involves loans to a group of borrowers who are liable for each other's loans. This collective responsibility implies that future loans to all group members will be withheld if any borrower has not repaid the previous loan.

[11] The structural adjustment programmes (SAPs) represented a package of loans conditional on the adoption of neoliberal policies imposed on developing countries by the World Bank and the IMF in the 1980s. The policies included measures to stabilise, liberalise and globalise economies by lowering barriers to foreign capital, controlling inflation by reducing government spending, and privatising public services and state-owned industries.

ensure repayments (Williams, 2001; Rankin, 2002; Roy, 2015); the risk of creating ever-expanding cycles of debt (Mayoux, 2002; Taylor, 2012); and development organisations and corporations' appropriation of concepts such as 'empowerment' to promote their programmes and products (Papart, Rai and Staudt 2002; Cornwall and Rivas 2015: 404). These dynamics contributed to what Chant (2008) calls the 'feminisation of responsibility': women's disproportionate responsibility for repaying loans through their micro-entrepreneurship activities while also looking after their families and communities.

Interestingly, since the 1990s the term 'microcredit' has been gradually replaced by 'microfinance', referring to a broad range of financial products for the poor beyond credit for microenterprises and including savings, insurance and payment services (Armendariz and Morduch, 2010, p. 15). While 'microcredit' and 'microfinance' are often used interchangeably, 'microfinance' denotes a shift in the approach to financial access. The initial focus of microcredit was on poverty reduction and the empowerment of women living in poverty, and the key providers were NGOs. With the change in language came a change in orientation towards more commercially-oriented, self-sustaining and regulated microfinance institutions that function according to financial markets, adopting mainstream financial tools such as credit bureaus and credit scoring, and targeting not just poor but also people on a low income (Robinson, 2001, p. 22; Johnson, 2012). Although microcredit and microfinance schemes have been promoted as more effective ways of achieving poverty reduction, development, and gender equality than the previously-available subsidised credit, they remain largely dependent on external funding. For this reason the public sector has increasingly partnered with the private sector to offer microfinance and other profit-based programmes for gender equality. An example of this new focus is the so-called Business Case for Gender Equality framework that developed from the mentioned World Bank's Gender Equality as Smart Economics narrative (World Bank 2006, 2012), which advocates gender equality as a valuable instrument of economic efficiency and development rather than recognising its intrinsic importance (Chant and Sweetman, 2012; Roberts and Soederberg, 2012; Prügl 2016).

This understanding of gender equality was embraced in the more recent shift towards universal financial inclusion in the years following the 2008 financial crisis. In 2009 the G20 leaders adopted a global agenda promoting universal financial inclusion as a policy instrument for financial stability, economic growth and the realisation of social goals (Soederberg 2013, 2014). The global financial inclusion agenda has been embraced by globally influential institutions such as the G20, the IMF, the World Bank, the World Economic Forum, the UN

Capital Development Fund (UNCDF) and the Bill and Melinda Gates Foundation, as well as by emerging institutions in the field such as Financial Sector Deepening (FSD) Kenya, the Groupe Speciale Mobile Association (GSMA) representing mobile network operators (MNOs), and the Alliance for Financial Inclusion (AFI) representing regulators in the Global South.[12] The G20 Principles for Innovative Financial Inclusion were adopted in relation to this agenda in 2010.[13] It is a non-binding regulatory framework that builds on earlier World Bank documents, in particular the policy research report *Finance For All* (World Bank, 2008).[14] The agenda and the G20 Principles support the idea of financial innovation through new forms of financial service delivery that are capable of reaching the financially excluded via routes such as branchless banking and payment services provided by postal and retail outlets in grocery stores, pharmacies, kiosks, and petrol stations, among others.[15]

M-Pesa in Kenya and mobile money more generally have become examples of financial innovation supporting the objective of extending and facilitating access to finance to those who are excluded or under-served by mainstream financial institutions. Gender equality has become a key mobile money policy objective, and M-Pesa is often extolled as a successful example in this regard.[16] As discussed below, this understanding of financial innovation focuses on

[12] GSMA is an association of mobile operators that plays an important role in the regulation of mobile money by providing studies, analysis and even training to mobile money providers and regulators to address regulatory barriers and develop an 'enabling environment' for mobile money. GSMA has also a programme to 'accelerate the digital and financial inclusion of women' which focuses on eliminating barriers to accessing finance by promoting the 'business case for gender equality' mentioned earlier.
AFI constitutes a network of policymakers and regulators from 90 countries in the Global South and was established in 2008 with funding from the Bill and Melinda Gates Foundation. It became an independent international organisation in 2016. As stated in the Maya Declaration adopted in 2011, AFI is committed to realising financial inclusion strategies in partnership with private-sector actors, implementing an innovative regulatory framework for financial inclusion and realising social goals such as gender equality. M-Pesa has played a role in defining the scope of AFI policy and its institutional structure. Njuguna Ndung'u, the Governor of the CBK during the development of M-Pesa from 2007 to 2015, was also the first chair of the AFI. The first AFI Global Policy Forum was held in Nairobi in 2009.

[13] G20 Innovative Financial Inclusion Expert Group, Innovative Financial Inclusion: Principles and Report on Innovative Financial Inclusion, 2010. < https://www.gpfi.org/publications/principles-and-report-innovative-financial-inclusion > accessed 2 May 2019

[14] According to Johnson (2012), the World Bank *Finance for All* report (2008) marks the shift from microcredit and microfinance for poverty reduction to the wider aim of financial sector and financial market development.

[15] G20, Principles on Innovative Financial Inclusion, Principle 3: Innovation.

[16] Gender Equality is a key development objective (Goal 5, UN Sustainable Development Goals) and for this reason has been embraced by the institutions supporting the digital financial inclusion agenda. The Bill and Melinda Gates Foundation's Gender Equality Strategy sees the opportunities offered by mobile money services such as M-Pesa as contributing to gender equality, see < https://www.gatesfoundation.org/What-We-Do/Global-Growth-and-Opportunity/Gender-Equality > accessed 10 August 2019. Similarly GSMA has a Connected Women Programme < http://www.gsma.com/mobilefordevelopment/programmes/connected-

removing barriers, including regulatory barriers, and increasing the number of people able to access financial services, rather than using new financial platforms and the revenue and funding deriving from them to redistribute wealth and support the welfare of financially excluded groups to enable them to take advantage of financial inclusion.

The Inclusionary Regulation of Digital Financial Platforms: The Case of M-Pesa in Kenya

The idea of M-Pesa originated from the grassroots practice of transferring prepaid airtime following the rapid spread of mobile phones in Africa, but the development of its platform relied on inclusionary institutional, infrastructural and regulatory arrangements. This section illustrates these arrangements and how they contributed to the rapid expansion of the M-Pesa system, defining its success as a digital financial inclusion project. The analysis shows that M-Pesa, unlike microcredit programmes, does not specifically target women and its regulation is ostensibly gender-neutral. However, the context, structures and relations within which the M-Pesa platform has been developed and regulated are very much gendered. M-Pesa is the only financial service that many women living on a low and irregular income can afford and they integrate it into their informal financial practices, micro-businesses and social networks (Kusimba, Krunyu, Gross, 2018).

The institutionalisation of M-Pesa was the result of a public-private partnership between Vodafone and DFID involving Vodafone's partner in Kenya, Safaricom, and various local and international institutions such as the Central Bank of Kenya (CBK), financial institutions, tech companies, regulators and development actors. DFID, the UK government sector that manages aid and funds international development research and projects, contributed to M-Pesa via the Financial Deepening Challenge Fund (FDCF).[17] The fund was designed in the late 1990s to contribute to the realisation of the MDGs via private-sector involvement in the provision of innovative and commercially-viable financial services to people living in poverty and on a low

women/ > accessed 29 August 2019; and the Alliance for Financial Inclusion has adopted the Denarau Programme, aimed at bridging the gender gap in access to financial services AFI Gender Inclusive Finance < https://www.afi-global.org/gender-women-financial-inclusion > accessed 29 August 2019.

[17] The 2002 International Development Act replaced the 1980 Overseas Development and Cooperation Act (which itself had replaced the 1929 Colonial Development Act) and made poverty alleviation and the achievement of the MDGs central to DFID's policy.

income, in particular the 'economically active poor'. The scheme defined innovation as the creation of a product or service not available to the target market, or the application of a technology that reduces the costs of financial services, in this way increasing access to finance (Hughes and Lonie, 2007). At about the same time DFID initiated another project supporting financial inclusion in Africa: Financial Sector Deepening Trusts (FSD). The first and most relevant FSD was established in Kenya in 2005 and aimed to build retail capacity and competition in the financial sector, develop various support services and address the institutional regulatory and supervisory environment to balance financial inclusion and security issues (Johnson and Williams, 2013). Besides these projects focusing specifically on financial inclusion, from 2001 DFID funded a series of studies in Africa investigating the relationship between new information technology and poverty reduction which revealed the potential for using the mobile phone network infrastructure to facilitate financial transactions (McKemey et al., 2003; Batchelor, 2005).

At the 2003 World Summit for Sustainable Development, the UK-based multinational corporation Vodafone, in particular its Social Enterprise department headed by Nick Hughes, was interested in collaborating with the public sector on a long-term development project that could combine profit with social objectives in line with the idea of social entrepreneurship (Nicholls, 2006). According to Hughes, many technology-based companies such as Vodafone were focusing on developing the technology rather than expanding the market, and public-private partnerships could circumvent this (Hughes and Lonie, 2007). Vodafone was awarded a DFID Financial Deepening Challenge Fund of 1 million GBP which it matched with a combination of cash and staff time, to develop a project using mobile phone infrastructure to facilitate and expand the reach of financial services. The project aimed to fill a niche in the market by serving those with no access to formal financial services, and in this way contributing to the MDGs (Hughes and Lonie, 2007). The area of interest for the implementation of the project was East Africa, a FDCF target zone, and Kenya seemed a likely option as both DFID and Vodafone already had a relevant presence in the country. Safaricom, which is 40 per cent owned by Vodafone, had a 75 per cent share of the mobile phone market in Kenya at the time and a strong brand presence (Owino and Tanui, 2011). Local institutions, in particular the CBK, expressed their willingness to collaborate on the project to develop a mobile money service which was named M-Pesa (M for mobile, *pesa*, Swahili for money).

The development of the M-Pesa platform relied on institutional arrangements between local, UK and international institutions. Vodafone commissioned Scientific Generics (now Sagentia), a UK consultancy firm based in Cambridge, to develop the software. Many of the available financial service platforms had been designed for integration with Western banking infrastructures and could only provide an additive banking approach, for example by adding new channels via which customers could access their bank accounts. However, M-Pesa was intended not as a banking service but as an MNO-based service outside the banking infrastructure, so its functionality needed to be integrated with MNO products and services (Wooder and Baker, 2012). The software was developed around the well-known and widely-available SMS technology so that the system could be used on basic black-and-white mobile phones. M-Pesa was situated on the SIM card and linked to the mobile number, and the system was designed in both English and Swahili to facilitate the inclusion of people living in the rural areas and speaking mainly Swahili.

The M-Pesa service facilitated payments by allowing the conversion of cash into electronic money (e-money); the transfer of e-money to other users, whether people or institutions, for which the payer would pay a fee proportionate to the amount transferred; and the conversion of e-money back into cash, for which the payee would pay a fee. To do this DFID and Vodafone used Safaricom's well-established network of airtime dealer outlets as mobile money agents where consumers could go to open an M-Pesa account and convert cash into e-money and vice versa. M-Pesa agents were provided with a mobile phone and an agent's M-Pesa menu that enabled them to register customers and manage their own M-Pesa agent account. They acted as cash merchants, managing their own liquidity as agents and meeting customers' requests. DFID, Vodafone and Safaricom decided to hold M-Pesa's money in a trust account at the Commercial Bank of Africa, managed by the M-Pesa Holding Company.[18]

While Vodafone and DFID initially saw M-Pesa as a system to facilitate microfinance transactions, following a pilot to test its functionality they decided to promote it as a low-cost payment platform on which they would create a range of different services and products for all Kenyans, with particular potential for those with no access to other formal financial services. At the time of the pilot mobile money was unregulated, so CBK opted for a 'test and learn' approach.[19] This meant that while various audits were conducted to make sure that M-Pesa complied with international anti-money laundering (AML) and counter-terrorist financing

[18] Declaration of Trust, M-Pesa Holding Co Limited, 23rd February 2007.
[19] This term was used by Njuguna Ngundu, governor of the Central Bank of Kenya from 2007 to 2015. See Muthiora (2015) *Enabling Mobile Money Policies in Kenya: Fostering a Digital Financial Revolution*. London: GSMA.

(CTF) laws, CBK supervised the service in partnership with the MNO, maintaining an openness to new financial services and providers.[20] The CBK allowed Safaricom to operate under a special licence from the Communications Commission of Kenya, dispensing with the need for a banking licence, and the Communications Act 1998 was amended in 2009 to recognise electronic transactions.[21] This demonstrates how M-Pesa was created at the intersection between telecommunications and finance, with the CBK and the Communications Commission of Kenya collaborating over its regulation.[22]

After conducting various legal and risk assessments and authorising two external audits, the CBK issued Safaricom with a Letter of No Objection (Muthiora, 2015, p. 11). The letter represented M-Pesa's regulatory framework from 2007 to 2014, when the National Payment System (NPS) Regulations were adopted by the National Treasury.[23] This regulatory framework aimed to ensure the system's integrity and security and to validate the 'social' mobile money business model and favoured its expansion (Muthiora, 2015, p. 20). The NPS Regulations, which codify the regulatory practices adopted by the CBK, have also contributed to expanding the mobile money system by allowing both banks and non-banks to provide mobile money services and mobile money providers to offer a variety of e-money products and services.

All of these institutional arrangements facilitated access to the service and the expansion of the mobile money market. According to a survey by Financial Sector Deepening (FSD) Kenya in 2006, just before the launch of M-Pesa, repeated in following years, the number of people with access to formal finance increased from 20 per cent in 2006 to 80 per cent in 2019 (FDS 2007, 2009, 2013, 2016, 2019), and the number of people using only informal financial methods decreased from 32 per cent in 2006 to 6 per cent in 2019 (FSD, 2007; 2019). The number of women and men using formal financial services increased from 20.5 and 33.2 per cent in 2006 to 70.7 and 79.7 per cent in 2016 respectively. The lenient regulation of mobile money has allowed people to integrate the M-Pesa platform with their informal practices easily,

[20] See Alliance for Financial Inclusion, Case Study: Enabling Mobile Money Transfers: The Central Bank of Kenya's Treatment of M-Pesa, 2010 < https://www.afi-global.org/sites/default/files/publications/afi_casestudy_mpesa_en.pdf > accessed 2 May 2019.

[21] Laws of Kenya, The Kenya Information and Communication Act 1998, Chapter 411 A. Rev. 2011. Electronic transactions Part VI A.

[22] On this point see Houpis and Bellis (2007) The Regulatory Implications of Mobile and Financial Services Convergence in *The Transformational Potential of M-Transactions: Moving the Debate Forward*, Policy Paper Series No. 6. London: Vodafone Group PLC.

[23] The National Payment System Regulations 2014, *Kenya Gazette* Supplement no. 119, Legislative Supplement no. 43.

contributing to the expansion of the mobile money market. Women in particular have started using M-Pesa as part of informal financial groups such as ROSCAs, using the service to store money and make payments to group members.[24]

While the increase in the number of female customers has been used to frame M-Pesa and its regulatory approach as successful in terms of gender equality (see Suri and Jack, 2016, whose study has been embraced by the Gates Foundation, GSMA, AFI and other organisations supporting the digital financial inclusion agenda), no attention has been paid to the gendered causes of financial exclusion and their implications. These causes, also mentioned in the 2006 survey (FSD, 2007), include lack of income (58.9 per cent) and lack of regular income (31.6 per cent). The 2016 survey shows that the main reason for stopping using a bank account was loss of income source (39.4 per cent), and the World Bank's 2017 Global Findex data (World Bank, 2018), shows a clear link between access to finance and regular income. None of these surveys provide data on the gender-related reasons behind financial exclusion.

This section has shown how the regulation of M-Pesa has been instrumental in eliminating barriers to accessing and using the service, and how it has focused on expansion rather than the causes of exclusion. As discussed in the first part of this article, these causes and their gendered implications have been shaped by colonial regulation and development policies. Without clearly recognising this legacy, current global financial inclusion policies call for the removal of legal barriers to accessing digital financial services as the key to gender equality (World Bank, 2015). Interestingly the World Bank's 2017 Global Findex (2018, p. 25) states that men are more likely to own a bank account and women to have a mobile money account, presenting mobile money services as an opportunity for women without questioning the gendered structural inequalities that limit their access to mainstream banking. This approach has framed digital financial inclusion policies as aiming to create an enabling environment for the expansion of financial platforms and the market opportunities deriving from them (Gabor and Brooks, 2017: 11), without considering the adoption of measures to address the gendered socio-economic disadvantages that cause financial exclusion.

The next section analyses some of the problematic aspects of promoting mobile money services as opportunities for gender equality.

[24] Focus groups: Kawangware, Nairobi, 29 November 2012; Mathare, Nairobi, 4 December 2012; Ngando, Nairobi, 8 and 9 December 2012.

The Exclusionary Implications of Inclusionary Regulations: Logic of Opportunity v. Politics of Redistribution

The increase in the number of women with access to digital financial services has been promoted as a positive outcome in terms of gender equality. The 'test and learn' approach to the regulation of mobile money services is seen as instrumental in facilitating this aim, with international institutions such as the UN, the IMF and the World Bank as well as emerging regulatory and policy actors in the area of digital financial inclusion such as GSMA and AFI considering M-Pesa an example of good regulatory practice. This section looks at the gender implications of the inclusionary regulation of M-Pesa, more specifically examining whether this regulatory approach can contribute to creating an environment that not only enables access to financial services but also challenges unequal gender relations. As Elson argues, a gender-equitable system would require the sphere of finance to serve the needs of social provisioning and support social reproduction work, which is disproportionately women's responsibility (Elson, 2014). It is important to mention in this regard that while social reproduction work is recognised in the SDGs in relation to gender equality, there is no discussion in international development policies of possible measures to address women's unsustainable burden of unpaid work or to favour its fairer distribution in society.[25]

Two main and related aspects of the regulation of M-Pesa are relevant to this analysis: the first is that M-Pesa is regulated as a payment system and not as a banking service; the second is how the 'test and learn' approach to regulation allowed Safaricom to create partnerships with public and private-sector institutions to develop a variety of socially-relevant products and services on the M-Pesa platform. Maurer (2012, p. 303) considers regulation in the field of mobile money 'retrospective ethnography of potential' rather than 'proscriptive or restrictive of human action'. This means that mobile money regulation offers an account of the past by considering the obstacles to accessing financial services; it is responsive to the present by adopting a 'test and learn' approach; and it keeps an eye to the future with a view to a particular aim, which in the case of M-Pesa is both financial inclusion and the expansion of the mobile money market.

[25] The value of unpaid work is also recognised in the SDG on gender equality: Goal (5.4) states that it will 'Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate'.

The CBK decided that the Kenya Banking Act did not provide a legal basis for either M-Pesa or the regulation of the mobile money products offered by MNOs. Mobile money providers are not classed as financial intermediaries, and mobile money services are not banking businesses as specified in the Kenyan Banking Act. A banking business involves not only accepting money from the public but also 'the employing of money held on deposit on current accounts, or any part of the money, by lending, investment or in any manner for the account and at the risk of the person so employing the money.'[26] The M-Pesa system is rather designed to provide a money transfer service converting cash into e-money and e-money into cash through mobile money agents acting as cash merchants. These transactions are managed via the mobile phone and are reflected in the customer's mobile money wallet. Customers depositing money in their M-Pesa account purchase electronic units for cash, which can be transferred or withdrawn for a fee.

M-Pesa customers remain in control of their electronic money at all times. There is no financial intermediation in banking terms between M-Pesa customers and the mobile money agents. The agents do not perform bank credit assessments or risk management as deposit-taking banking institutions do: they simply exchange cash for electronic money and vice-versa. The money is physically kept in pooled trust accounts at the Commercial Bank of Kenya and other banks in the custody of a trustee, the non-profit M-Pesa Holding Company.[27] The use of trust accounts also means that M-Pesa customers are not paid interest on money kept in their M-Pesa account. Even if customers see keeping money in the M-Pesa account as saving, this is not the case from a regulatory perspective, as the CBK has been very careful to make clear from the outset. While mainstream banking terms such as 'withdrawals' and 'deposits' are used in M-Pesa transactions, in practice customers are just exchanging cash for e-money, and transferring e-money on payment of a fee.

The fee itself has an important regulatory role in defining access and facilitating the expansion of the service. The fees for each transaction are taken directly from the customer's account, making each transaction profitable for the MNO on a stand-alone basis. There is no charge for signing up to M-Pesa or for converting cash into e-money (i.e. depositing money), and the charge for transferring e-money and converting it back into cash (i.e. withdrawing money)

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[26] Laws of Kenya, Banking Act 1989 (as amended 15th September 2015), Nairobi: Central Bank of Kenya. Part I section 2(C).

[27] As the size of the M-Pesa Trust account grew, after consultation with CBK the trustee decided to spread the funds across several banks to reduce the risk of having a single custodial bank and of corruption (see Muthiora, 2015, p. 11).

depends on the amount and whether the recipient is registered with M-Pesa.[28] The different fees for registered and unregistered customers were initially adopted to facilitate the expansion of the service: M-Pesa customers could send money to anybody in Kenya who had a mobile phone, whether or not they subscribed to M-Pesa, but the fee for transferring money to unregistered customers was much higher than that for registered users.[29] Research shows that M-Pesa users persuaded their relatives and friends to sign up to M-Pesa to avoid the higher transfer fee (Mas and Radcliff, 2010, p. 15). This difference has been reduced with various progressive changes to the fee structure which reflect the expansion of the M-Pesa system, and the mobile money market more generally.

The regulation of M-Pesa as a payment system also means that while the MNO, Safaricom, receives a secure source of profit via the fees, customers cannot make decisions about interest earned by their M-Pesa funds kept in the trust accounts. According to the NPS Regulations 'any income generated from placement of these trust funds shall be used in accordance with Trust legislation and in consultation with the Bank [or] donated to public charitable organisations for use for public charitable purposes.'[30] Interest on customers' deposits is managed by the M-Pesa Holding Company, which claim that the M-Pesa Foundation, an independent charitable trust created in 2010 for this purpose, administer it in the interests of all Kenyans.[31] Projects funded by the M-Pesa Foundation rely on partnerships between Safaricom, donors, local and international institutions, and the private sector to combine mobile technology and social objectives such as education, healthcare, gender equality and environmental protection according to the logic of social entrepreneurship, namely making a profit while promoting social good.

[28] Fees for money transfers currently range from 11 KES to send 101–500 KES to 77 KES to send 5,001–7,500 KES and 105 KES to send 20,001–70,000 KES, which is the maximum amount that can be transferred.[28] With the latest changes to the fees structure there is no fee for transferring 1-100 KES, but it costs 10 KES to withdraw 50–100 KES, with a minimum withdrawal of 50 KES. (1 KES = 0,0099 USD. The full list of M-Pesa charges is available here < https://www.safaricom.co.ke/personal/m-pesa/getting-started/m-pesa-rates > accessed 2 May 2019.

[29] When M-Pesa was launched it cost 30 KES to send 20,000 KES to an M-Pesa-registered user and 350 KES to send the same amount to an unregistered recipient; now it costs 102 and 288 KES respectively, and 303 KES to send 20,001-25,001 KES to an unregistered user.

[30] The National Payment System Regulations 2014, *Kenya Gazette* Supplement no. 119, Legislative Supplement no. 43, section 25.5.

[31] M-Pesa Holding Co Limited Declaration of Trust <https://www.safaricom.co.ke/images/Downloads/Personal/M-PESA/deed_of_amendment_to_declaration_of_trust_-_mpesa_account_holders.pdf> accessed 3 May 2019

A number of projects supported by the Foundation use mobile money services to achieve social objectives such as maternal health. Uzazi Salama (safe motherhood), for example, is a programme realised through a partnership between the M-Pesa Foundation, Amref Health Africa, the PharmAccess Foundation and the Samburu County government to create a more efficient transport and referral system for maternal healthcare. A similar scheme, the Health Enablement and Learning Platform (HELP), is a mobile phone-enabled learning programme realised via a partnership between the M-Pesa Foundation, Amref, Kenya's Ministry of Health, and Accenture Development Partnerships in three locations in Kenya: Nairobi's Kibera slum, the rural district of Mwingi, and the Samburu pastoralist region. It provides volunteers with mobile-phone-based training after which they are responsible for passing on health-related information to community members and providing support in emergencies.[32]

The 'test and learn' approach to the regulation of mobile money has allowed Safaricom to collaborate with financial institutions, corporations and donors and to rely on mobile data to develop a variety of mobile-money-enabled products and services targeting the 'unbanked' and poor and low-income consumers in particular (Maurer, 2015; Gabor and Brooks, 2017). Michael Joseph, former Safaricom CEO, refers to this practice as the 'McDonald's strategy' or the 'Coca-Cola strategy', emphasising the potential for M-Pesa's mass penetration through partnerships and the proliferation of mobile money products and services (Omwansa and Sullivan, 2012, p. 24). This approach seems to have guided the development of M-Pesa as a digital financial inclusion platform.

Safaricom has concluded agreements with microfinance institutions and banks to integrate their credit, savings and insurance products with the M-Pesa platform. Among other attempts to facilitate access to formal financial services such as credit and savings, in 2012 Safaricom and the Commercial Bank of Africa (CBA) launched M-Shwari (*shwari* is the Swahili word for calm), a banking service that has developed savings and credit products by emulating the ways in which people use M-Pesa. It allows M-Pesa users to open a free savings account directly from their mobile phone without requirements such as a minimum deposit or credit history, and offers low-value (100–50,000 KES), fee-based (7.5% facilitation fee), short-term loans (30 days) (Cook and McKay, 2015). Approval of a loan is an automated procedure based on credit-

[32] Health Enablement and Learning Platform project: <http://www.m-pesafoundation.org/projects/improving-community-health/> accessed 2 May 2019

scoring rules that use the applicant's airtime and M-Pesa transaction record, and risks reproducing negative patterns of microcredit such as over-indebtedness (Bateman et al.. 2019).

Besides financial services, Safaricom has concluded multi-institutional agreements to create fee-based products and services providing access to needed services such as healthcare and electricity. Some of these projects are provided in collaboration with philanthropic foundations, similar to those funded by the M-Pesa Foundation, while others allow users to buy products and services on credit, repaying the debt in small and flexible instalments via the M-Pesa platform. There are numerous mobile money services, and numerous possibilities for the development of new ones.

Some schemes specifically target women in their biological reproductive role, including FistulaCare, which facilitates the treatment of women with fistula. FistulaCare is provided by the Freedom from Fistula Foundation (FFF), founded by the millionaire businesswoman and philanthropist Ann Gloag in 2008. Women can call the FFF hotline and can receive treatment at the Jamaa Mission Hospital in Nairobi. If a woman cannot afford transport to the hospital FFF can send them the fare via M-Pesa, with an additional 25 KES (about 0.30 USD) to cover the transaction fee.[33] However, the Foundation advertises only the free fistula treatment and not the fare to the hospital, in order to avoid 'women who have the ability to pay using project funds', which prevents some women who could benefit from it contacting the FFF.[34] A similar project in Tanzania via a collaboration between the Comprehensive Community-Based Rehabilitation Hospital and the UN Populations Fund (UNFPA) works through intermediaries called community ambassadors, who receive a small payment for identifying women with fistula and liaising with the hospital. The hospital determines which women are suitable for the programme and can send them the fare to hospital via M-Pesa.

An example of a credit-based product that is repaid via M-Pesa is M-Kopa (*kopa'*, 'to borrow' in Swahili), founded in 2011 by Nick Hugh, the former head of social enterprise at Vodafone who started M-Pesa. M-Kopa is a micro-solar system consisting of a base station with a solar panel, three lamps and a charging kit for mobile phones. It was developed via a partnership between Safaricom, entrepreneurs, developers, and donors, initially the Bill and Melinda Gates Foundation, DFID and the Shell Foundation, which were later joined by other multinational

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[33] The M-Pesa fee is 10 KES to withdraw 50-100 KSH.

[34] FistulaCare project: <http://www.fistulacare.org/pages/pdf/technical-briefs/mobile_phone_brief_updated4.5.2011.pdf> accessed 2 May 2019

corporations including Mitsui. The donors and companies provide initial funding for producing the system, which is offered to customers on credit basis. Customers pay about 18,999 KES (about 186 USD) for the system, which includes a deposit of 2,999 KES (about 30 USD) and daily payments of 50 KES (about 0.50 USD) for a year via M-Pesa or, more recently, other mobile money systems.[35] Customers can use the solar system for as long as they keep up their payments, and when the repayment is complete after a year they own it. M-Kopa offers other products on credit such as rainwater tanks, smartphones and televisions, as well as loans for school fees, with small, flexible repayments.

These examples show the numerous products and services that can be built on the M-Pesa platform. As a financial inclusion project, all of M-Pesa's products and services are tied to this main objective, underlining access to finance as instrumental to the achievement of social objectives such as poverty reduction and gender equality. Mobile money has made access to basic resources and services conditional on access to finance via small credit systems such as M-Shwari and mobile-money-enabled projects.[36] As many mobile-money projects and products target women directly in their biological reproductive role or indirectly in their social reproductive role, this has automatically contributed to increasing the number of women 'included' in the financial system by offering them products and services that they and their household desperately need and which are not publicly available. While these projects are appealing and can be considered useful in the absence of other forms of access, not everyone at the lower end of the income distribution can access or successfully use mobile-money-enabled programmes, not only because they need a mobile phone and an M-Pesa account but also due to other limitations. There is often a lack of information about eligibility for the M-Pesa Foundation and other donors' maternal health programmes, for instance. and they are often limited to particular areas depending on the individual partnership and the partners' interests.[37] In the case of fee-based products and services which could be used to support social reproduction work the main obstacle is the initial deposit and the commitment to pay daily or

[35] According to current M-Pesa charges, M-Pesa users pay a fee of 56 KES to transfer 2,999 KES (to both M-Pesa or other mobile money users), but the transfer of 50 KES is free. Initially, customers had to pay between 1 and 3 KES to transfer up to 100 KES to other M-Pesa users, including companies. See < https://www.safaricom.co.ke/personal/m-pesa/getting-started/m-pesa-rates > accessed 2 May 2019

[36] According to a 2018 study on the impact of M-Shwari, users at the lower end of the income distribution use M-Shwari loans to pay for basic services such as school fees and for emergencies rather than for consumption goods or productive assets. Also, these loans do not reduce the likelihood of borrowing from informal sources. See Suri and Gubbins (2018) How is Digital Credit Changing the Life of Kenyans? Evidence from an Evaluation of the Impact of M-Shwari. Nairobi: FSD Research Brief.

[37] Focus group in Mathare, Nairobi, 4 December 2012.

weekly.[38] These services are meant to give people both an opportunity and the responsibility for taking advantage of products and services that could help them to improve their lives: for instance the M-Kopa solar power kit is promoted as an opportunity for the poor to study and work, holding the users themselves responsible for translating this into 'success'.

While the products and services arranged through the M-Pesa infrastructure aim to facilitate the achievement of social goals, they usually reconceptualise public goods and necessary resources as for-profit enterprises, transforming basic needs into market opportunities purchasable through mobile financial services facilitated by Safaricom. As basic resources and services are sold through the M-Pesa infrastructure they become marketised and financialised, and users' livelihoods become dependent on the market and integration into financial circuits. Resources are often bought on credit or through savings schemes and repaid in small and/or flexible instalments that, depending on the amount, include a fee to the MNO for each transaction. As Ribot and Peluso argue in *A Theory of Access* (2003), fees regulate forms of decentralised and marketised access and limit the achievement of the socio-economic rights of poorer people.[39] In the mobile money system basic needs such as access to water and healthcare are promoted as social objectives enabled by what Gabor and Brooks (2017, p. 2) call the fintech-philanthropy-development complex rather than as socio-economic rights provided by the state. This form of blended financing for development (Tan, 2018) results in a lack of accountability for delivering social objectives in ways that do not challenge or even exacerbate the inequalities they are supposed to address, and fail to realise decent standards of living for all people (Kabeer, 2015).

Mobile money products and services can appear to generate emancipatory effects by creating opportunities for greater financial inclusion, helping poor households access resources that provide material input for social provisioning and access to social services. These individualised and marketised forms of access, however, reproduce divisions and inequalities among the population and impose new burdens on poorer women, who are disproportionately responsible for social reproduction work (Molyneux, 2006; Roberts, 2015) The increased

[38] Focus groups in Kawangware, 28 November 2012 and Ngando, 8 December 2012.

[39] These include the right to food, water, shelter, education, health and employment, and are by definition more substantive than political and civil rights; they need to be translated into social protection, infrastructure, services and other measures that have an actual impact on people's lives. Socio-economic rights are also gendered, as they are shaped by the gendered nature of social institutions, including the legal factors that have limited women's access to property, land and capital and which, as discussed, can be traced back to the colonial period (see Fredman, 2013).

responsibility is presented not as such but as an opportunity that comes with access to finance through M-Pesa. The opportunity to gain autonomy, independence and equality via mobile money platforms is limited by gendered structural inequalities been shaped by colonial history and postcolonial development policies. This exposes a general problem of financial inclusion as a development strategy for gender equality: the potential benefits can very easily become burdens when strategies to enhance women's access to resources simply increase the load they bear and the number of demands upon them. This depends on the fact that such initiatives create opportunities for women living in poverty or on a low income without providing them with the resources and social infrastructure necessary to take advantage of such opportunities (Kabeer, 2015).

While M-Pesa and all the projects and services provided via the mobile money platform represent a secure source of income for the MNO, the profits and funding deriving from M-Pesa are not redistributed to benefit the financially excluded. As Bateman et al. (2019) observe, considering that Safaricom is owned 40 per cent by Vodafone and 25 per cent by investors, leaving only 35 per cent owned by the Kenyan government,[40] this means that a relevant proportion of the revenue M-Pesa produces is not locally redistributed but rather repatriated back to shareholders in the UK and other countries in a form of neo-colonial digital extraction (Bateman et al., 2019, pp. 7–8).

This article argues that M-Pesa is regulated according to a logic of opportunity rather than a politics of redistribution. The idea of opportunity tends not only to ignore past and present political, economic and legal dynamics that have shaped gendered forms of inequality and exclusion but also risk furthering unequal gender relations. According to Ferguson (2015), major social problems such as poverty and inequality can be considered fundamentally distributive issues, and for this reason distribution should be central to political decisions and regulatory measures. Ferguson (ibid, p. 36) argues that to reduce inequality the world must redistribute the existing wealth based not on market logics or charitable giving, which would reproduce asymmetric power relations, but on the idea that people are entitled to a rightful share of the global wealth.

[40] In 2008, after the rapid growth of M-Pesa the Kenyan government sold 25 per cent of Safaricom shares, now held in small tranches by a range of investors (see The Economist, 2008).

A politics of redistribution, differently from a logic of opportunity, takes the view that people are entitled to a fairer distribution of resources such as food, water, land, money, information and technology; of responsibilities; and of the power that influences discourses, agendas and decisions. This is different from the de-contextualised and de-politicised neoliberal idea of accepting the inequality deriving from economic growth with the promise that it will be redistributed through market opportunities or aid programmes (Ferguson, 2006, 2015). In the case of digital financial platforms, redistributive measures would allow the financially excluded living on a low and irregular income to take full and fair advantage of financial services. Redistribution also has important implications for gender relations in terms of alleviating women's burden of social reproduction work. Possible redistributive measures could include the use of M-Pesa's profits, the interest generated by the M-Pesa trust accounts, or philanthropic foundations' funding to directly fund collective necessities such as water, healthcare and education via publicly-accessible services and social assistance. Such measures would contribute to addressing women's disproportionate responsibility for social reproduction and would have a greater impact on unequal gender relations, particularly at the lower end of the income distribution.

Conclusion

Kenya's M-Pesa has been acclaimed by international organisations, governments, financial institutions, private-sector actors, philanthropic foundations and regulators as a successful digital platform for financial inclusion that is contributing to the achievement of development goals such as gender equality. A key aspect of its success has been attributed to its inclusionary regulation, which has facilitated access to financial services for those excluded from mainstream banking, complying with international security requirements while maintaining an openness to new mobile money products and providers. Bridging feminist political economy analysis and socio-legal enquiry and borrowing insights from law and development and postcolonial literature, this paper has called into question the success of M-Pesa from a gender perspective. After illustrating how the nexus between gender and financial inclusion has been shaped by colonial rules and development interventions, it has examined M-Pesa's regulatory arrangements and the gender implications of the projects, products and services these facilitate.

This paper concludes that while M-Pesa has increased the number of women able to access formal financial services, it has failed to contribute to challenging the unequal gender relations at the lower end of the income distribution, mainly due to a lack of corresponding redistributive measures addressing the gendered socio-economic inequalities that have caused and reproduce financial exclusion. The increasing revenue deriving from M-Pesa, to which women living in poverty and on a low income contribute greatly, is not distributed to them; however, possible rewards are offered in the form of opportunities, leaving them with the responsibility for and risks inherent in taking advantage of these opportunities. As mentioned above, possible redistributive measures could include unconditional public access to healthcare, electricity and other necessary services rather than fee- and debt-based services.

A main problem with seeing digital financial platforms such as M-Pesa as a successful development strategy for gender equality resides in the same idea of inclusion. Inclusive initiatives are built on existing inequalities: the structures of exclusion that have shaped socio-economic relations since the colonial era are reshaped by a logic of inclusion that risks reproducing them. As Spivak (1993, p. 46) says, strategies that secure greater inclusion for women and disadvantaged groups are things 'one cannot not want'. What is ambivalent, however, is their inclusion in a social, political and economic order originally founded on their exclusion. The rhetoric of inclusion has often been used to reframe rather than challenge problematic development discourses and measures such as those concerned with gender equality (Cornwall and Rivas, 2015).

The progressive expansion of the development framework to include social goals has resulted in the promotion of financial services as useful or even necessary for the achievement of goals such as poverty reduction and gender equality. The same idea of the 'unbanked poor' coined by international financial institutions suggests a nexus between financial exclusion and the perpetuation of poverty. This has also resulted in the legitimisation of a variety of development agents' provision of socially relevant financial products and services without holding them accountable for delivering social objectives in ways that reproduce instead of challenging inequalities (Adams and Pingeot, 2013; Blowfield and Doloman, 2014; Kabeer, 2015). The responsibility for creating 'development' has been increasingly shifted to individuals, increasing women's social reproduction burden (Roberts and Soederberg, 2013).

Development measures and projects tackling exclusion tend to focus on products and services that can include poorer consumers rather than on the 'inequalities in power and voice that keep poor populations systematically, socially and politically excluded' (Banks and Hulme, 2014, p. 192). This understanding of exclusion simplifies regulation, policy and the calculation of development outcomes without engaging with more complex matters such as the global maldistribution of wealth and its gender implications, the entitlement of all people to a decent livelihood, and the global and local public obligation to ensure this. Digital financial inclusion has become a quick fix for all issues relating to gender inequality, with gender equality often reduced to a simple, measurable and even profitable goal that can be achieved without challenging unequal power structures and relations. While the regulation of mobile money has favoured the expansion of the M-Pesa platform to include more women in the financial system, it has not contributed to the redistribution of the power, resources and gendered responsibilities necessary to challenge unequal gender relations.

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