

Financial Inclusion for Persons With Disabilities

*Keynote by Joshua Goldstein, Principal Director for Economic Citizenship & Disability Inclusion, Center for Financial Inclusion, for the Inclusive Microfinance Conference in Kampala, Uganda
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Distinguished delegates, ministers, generals, and other guests,

I am honored to be speaking to you today about economically empowering persons with disabilities (PWD) in the informal sector – which dwarfs the formal sector in Africa – so it is here where employment opportunities are most likely to come. A quick definition of informal economy: this term is vague and somewhat nebulous, but basically this refers to that part of the economy that is not taxed, that provides workers no benefits, and is not included in statistics about the gross national product. Microbusinesses, most often run out of the home with no employees but with family support, are classic examples of informal sector businesses

Clearly, in many places in sub-Saharan Africa, the informal economy is the only economy to speak of. Unfortunately, lack of employment opportunity, informal or formal, is a reality through much of Africa and not just for persons with disabilities – which makes PWD inclusion efforts as challenging on this continent as they are important.

In my speech today, I will do my best to avoid what Nigerian author Teju Cole calls “the white savior industrial complex” with which I am sure many of you have experienced in the arrogance of international aid providers, whose complete ignorance of the reality on the ground in your countries in no way diminishes their confidence in their proposed interventions – hatched in plush offices on the other side of the planet.

Look at me: I am a nice guy – at least I hope so. I try to make a contribution but I am no godlike savior. If there is such a savior, he/she will be found in the African experience and African know-how. Perhaps indispensable knowledge is here to be had in this very room today and tomorrow. We shall find out!

It is the “biggest lie in modern history that poor and passive Africans exist only in the shadow of Western action,” writes Nigerian-born Dayo Olopade in her fascinating new book, *The Bright Continent*, which by the way she wrote in in a Kampala internet café. Surely it has been the black man’s burden to put up with the white man’s “civilizing mission since the last decades of the 19th century, when

Church Fathers reversed centuries-old doctrine and ruled that Africans had souls after all and needed to be evangelized and saved.

I am happy to say that I have first-hand, empirical evidence of Africans setting the action agenda for a cause: my Ugandan colleagues and friends Flavia Bwire and George Mukassa were two of my very first teachers on the paramount importance of disability rights and inclusion, and as two of the founding mothers and fathers of this movement, have led the way with the timely support of the Norwegian Association of the Disabled.

Thank you, dear colleagues. Please stand and take a bow.

Another telling example is the way Africa is leading the world in mobile banking. It is now your charge to make sure that the mobile devices are user-friendly for the blind and other people with disabilities – or PWD will be at a severe competitive disadvantage in the coming decades.

The provision of quality financial services through microfinance institutions (MFIs) is a proven and sustainable poverty reduction strategy around the world. Yet to date, it has failed to reach PWD in great numbers, an unacceptable market failure which if not addressed, will make the achievement of post Millennium Development goals (MDGs) being crafted now an impossibility.

In wealthy countries or a wealthy minority in poor countries, such individuals often take for granted the availability of financial services. They enjoy a safe place to save, have access to loans when they need them and credit cards, mortgages, insurance, ATMs, etc. Our lives are surely better for that. And access to such products is nothing short of essential to the independent living and security that most PWD so fervently desire!

I am the Program Manager of “Financial Inclusion for Persons With Disabilities” at the Center for Financial Inclusion, a division of Accion. Accion is the global microfinance pioneer founded in the 1960s that has helped to build 63 microfinance institutions in 32 countries on four continents. And most of these are sustainable, commercial institutions – like almost all successful MFIs around the world.

In 2008, Accion launched the Center for Financial Inclusion, a “think/do tank.” The Center’s mission is to understand the obstacles in the way of reaching the goal of full financial inclusion for the legions of the poor unbanked, and then seek ways to overcome them. In short, identifying who is being left out and how bring them into the fold so that economic citizenship will become a reality for all including refugees, indigenous groups, and gays and lesbians.

And all of us in this room know that the largest, underserved vulnerable minority in the world (15 percent of global population) are people with disabilities, a market overlooked by mainstream microfinance providers to this very day. Indeed, according to a Handicap International study only 0.5 percent of current clients of MFIs have a disability.

In 2009, the Center decided that addressing this market failure had to be a cornerstone of our inclusion mission if we were to be successful. And that providing persons with disabilities the basic inclusion tools they need to achieve economic citizenship is one of the most important and exciting economic development opportunities in the world today. And with microfinance, savings groups, and other financial service providers like credit unions, it can be a bottom-up solution, which is particularly important in countries where governance is poor, rule of law weak, and corruption off the charts, as is the case, unfortunately, in many African countries today.

So providing quality financial services to the self-employed poor can be an opportunity lifeline that improves the quality life and reduces poverty. A baker can buy a second oven, a vegetable vendor has the capital to buy enough produce to visit her supplier once a week, not once a day, and by buying in bulk increase her margins dramatically. She does not become rich, but she can pay for her children's school fees and school uniforms.

When my Center colleague Brian Clancy and I were visiting D-Miro, a fine MFI in Guanaquil, Ecuador, now working to become disability-inclusive, we met, in Brian's words, "a number of remarkable clients including a blind widow running a business with four successful product lines. We also met with a wheelchair-bound force of nature running a successful catering business from her home, supplying up to 80 lunches daily to a local construction company. The factor that predicted success in almost every case was strong family support. Like every client we met, they were so much more than what they may have lacked or lost. They were business people, citizens, parents, friends, activists, and athletes. They were what we all aspire to be – whole human beings in every way that really matters. They are exactly what financial inclusion hopes to foster in all underserved and marginalized populations – people who give this crazy species of ours a good name through their candor, creativity, courage."

A few general comments to bring my perspective on disability into clearer focus: Disability is not about them over there –it is about all of us. If not born with a disability we are all only one auto accident, stroke, or diabetes complication away from acquiring a disability. And so are our wives and husbands, children and cousins, parents and in-laws.

How many of you in the room have a family member or friend with a disability? I, myself, have an arthritic condition in my neck that makes it impossible to turn my head. But class trumps disability (I was born into an upper-middle-class family) and it has not been a significant hindrance in my life or work.

Parenthetically, one of my observations meeting with disability organizations around the world is that many are made up of middle-class and upper-class people who may know as little about the disabled poor as MFIs know about the issue of disability in general. Please keep that in mind when you seek out consultations with disability groups.

I also want to emphasize that the struggle for disability rights and inclusion is not an African problem or a poor country problem. Until the passage of the Americans with Disability Act (1990), Harvard law students had to be carried up flights of stairs to their classrooms.

In the 1960s, when the extraordinary disability rights activist Judy Heumann (Special Advisor for International Disability Rights at the U.S. Department of State) was a child, it was assumed by the education establishment in New York City that because she was in a wheelchair, she needed to attend a school for children who suffered from retardation. Really. And just recently, I was with her at a buffet and a waiter asked me to ask Judy what she wanted to drink – as if because she was in a wheelchair, she was mentally incompetent. Really! So we are all in this great human rights together!

By the age of 60, according to the World Report on Disability at least 40 percent of all humanity will have some kind of disability. Disability is therefore part and parcel of the human condition, not some foreign invader. It is active or at least in latency all our lives. And for that very selfish reason, (compassion is not to be counted on with us human beings) the currently able-bodied, should do everything in their power to create just societies that enshrine nondiscrimination, equal opportunity, and universal design among their core principles. And yet this has decidedly not happened, because human denial has almost infinite capacity to assume that “it” can only happen to the other person.

While the legal and moral case for MFIs to serve PWDs is spelled out in the CRPD, the business case is not. (It is a human rights treaty, after all.) That case is strong and here are two reasons why:

- 1) Many current clients who do not have a disability today, may have one tomorrow, so it will give an MFI a competitive advantage to implement disability friendly policies, if it wants to retain its clients.

2) From the experience of the handful of MFIs that have begun to provide financial services to PWD, they have proven to be good, even great clients. The pilots of our partner Handicap International in Mali; AMFIU and NUDIPU in Uganda, (just today, I was honored to visit Vision Spring and Opportunity banks that are focusing on clients with disabilities in a new way); the Self Help Groups (SHGS) of the SERP program of the government of India; CBR's work in Africa; Trickle Up's programs with the ultra-poor in Central America, have all been invaluable in setting the stage for the Center's global campaign to scale disability inclusion, that it launched in Paraguay in 2012 and now is taking around the world.

I am not an ideological purist when it comes to microfinance and my mantra is "whatever works," so in this spirit I want to put a spotlight on one particularly exciting non-microfinance program called: "Mobilizing Savings Groups through the Disability Community/Organizations in Uganda," run by NUDIPU, which has mobilized groups of disabled men and women, caretakers, and community members in rural villages of 13 districts in Uganda, creating sustainable groups and strong savers. The program has 846 groups and 24,280 members of whom 15,295 (63 percent) are women and 14,978 (62 percent) are disabled, respectively. Such savings groups usually make much more sense in rural areas and farming communities than microfinance. Microfinance products are designed for people who have existing small businesses who need capital to further grow them.

Here is a brief overview of some of the highlights of the Center's work on disability through 2014. We have developed a set of disability inclusion tools and best practices with our partner Fundación Paraguaya (FP), an award-winning MFI that we have been working with the last two years. Joined by our close partner Handicap International, and many local Paraguayan disability organizations, the Center has tested and refining a comprehensive "Framework for Disability Inclusion" that we hope will help MFIs around the world become disability-friendly. The Framework is a how-to guide for how to develop partnerships with local disability organizations, how to make reasonable accommodation and universal design workable and affordable, how to do sensitivity trainings of loan officers and other staff so that they will learn to be comfortable working with PWD. And in line with the Smart Campaign's Client Protections Principles (AMFIU's David Baguma is on the Steering Committee. Thanks David) the Framework underscores the importance of trainings around responsible treatment of clients that relate to non-discrimination:

- Determining baseline of current clients with disabilities.
- Determining baseline of staff attitudes around non-discrimination before awareness training commences.
- Developing policy language to be inserted in the institution's existing code of ethics to meet the non-discrimination standard set forth by Smart. This code of ethics must be designed to be replicable at other MFIs around the world.

- Developing new HR orientation material that includes nondiscrimination language in the current policy for all new hires.
- Creating a simplified “train the trainer” tool, based on Handicap International’s comprehensive guide, to make awareness training something any MFI can undertake.

Just this past summer the Framework has been fully adapted and customized for the Indian market under the leadership of the great disability support organization v-shesh that has implemented this revised framework with great success at three excellent MFIS in India, Anapurna, ESAF, and Equitias. (They even won a prestigious award for their work from a National Disability Organization in August) In a Workshop later today, you will hear from Raja, the CEO of v-shesh and Flavia Bwire of AMFIU, in much greater detail about their training modules. I hope this Workshop will help you think through how you might go about customizing tools and trainings for your own countries.

Also, over the last year, we have supported BRAC, the world-renowned development organization in Bangladesh in developing a strategy about how to become disability inclusive across its many divisions. And we have advised the Vice President’s office of the Government of Ecuador about how to create a comprehensive nationwide inclusion strategy that is now being implemented.

On a slightly different note, I want to add that it is my hope that Fundación Paraguaya and the three Indian MFIs will soon be positioned to enter into public-private partnerships with educational institutions and disability organizations that will prepare PWD with the basic skills that they need to run businesses, now that there are disability friendly MFIs eager to provide them with financial services. Most MFIs simply do not have the resources to provide such training.

As disability organizations promote economic independence and equal opportunity as the gold standard for the 85 percent of PWD who can and want to work, government social protection schemes can unwittingly push PWD back into chronic dependence on their benefits. Here are two reasons for this:

- The widespread lack of awareness of self-employment opportunities available to the PWD.
- The fear that trying to start a business will strip the person of their social welfare benefit informal or formal.

I can’t emphasize the second reason enough. When I was in Ecuador visiting DMiro, I learned that potential clients did not seek financial services from MFIs to grow businesses, because they were afraid their cash transfer from the government would be taken away.

THIS WAS NOT TRUE but it was a common belief, a powerful urban legend, nonetheless. This lack of accurate information is no small problem. Indeed, what sometimes is called “asymmetry of information” is a tremendous obstacle for poor PWD (as well as the poor in general) in many countries. They have never heard of the CRPD. They do not know they have rights that they can fight for benefits they are entitled to, employment opportunities that are waiting for them. Governments (and private actors) must work diligently to make sure information is clear and easily available.

Here in the United States, people who collect disability benefits under Social Security, a majority of whom are poor and low skilled, are afraid to seek employment, even if their disabling condition has become manageable. The statistics are stark: once in the social security disability program, less than 1 percent ever seeks employment again.

I know of a highly educated doctor in the northern United States who has been collecting disability benefits for years who would now like to return part time to her medical practice. But she believes if her chronic disease flares up again and she is forced to stop working, her disability benefit will not be renewed. There is enough ambiguity in the guidelines to make this concern plausible. So heavy is the demand, that the funds for this social security disability program may run out as early as 2014!

So please learn from the experience of the United States and Canada, among other wealthy nations. In the coming decades as your countries grow, become more prosperous, and therefore able to extend more services to the poor, be sure to design social welfare programs that are simple and straightforward and make it crystal clear that taking a chance on work will not strip a person of his or her benefits. Disseminate this information widely in alternative formats for the deaf and the blind. And train government workers to communicate government policy in a clear non-patronizing way.

Philanthropy for programs from foundations and individuals is capricious and can end at any time. Governments’ commitment to social welfare floors can fall by the wayside during economic crises, or through corruption. That is why sustainable development from the bottom up, like microfinance, has the best chance of long lasting success and should be part of the mix of any poverty reduction program.

To my friends around Africa who are here today, my message to you is to be opportunistic. Look for openings and easy wins. Don’t let perfection be the enemy of the good. In other words, you haven’t failed if you don’t change the world for the better overnight. Change is usually rough, uneven, and not pretty. There are

setbacks and dark days as well as days of bright promise – like when someone from Luo background, Barrack Hussein Obama, became President of the United States! Something that that could never happen in Uganda, at least according to one well-known Kenyan song.

Don't get too high or low. Just keep your eyes fixed on the prize, which is building momentum towards full participation of persons with disabilities in your communities And remember, all you temporarily abled in the room, I am talking about you.

Please use me as a resource. All our tools and trainings are open source and are there for you to customize in any way you see fit.

Above all listen to the persons with disabilities who live alongside you. Hear their voice and listen and obey when they say," Nothing about us without us."

Thank you and may God bless you and help you make this an Africa century of unprecedented hope and success.