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**Financialization and development policies: Critical perspectives  
on new financial circuits for international development projects**

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## **Mobile-driven healthcare: when telcos offer health coverage to Sub-Saharan Africa**

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This paper is part of an on-going postdoctoral research project that analyses digital technologies used to improve health coverage in the Global South. “Digital health” gathers information and communication technologies (ICTs) dedicated to health; it encompasses the use of internet (eHealth) or mobile phones (mHealth) for health purposes, telemedicine devices or biomedical databases, etc. This study is attentive to digital programs in developing countries that offer health coverage to individuals, namely access to health services without financial hardship. It calls on an analysis of digital politics, that is the means of government but also the political and socio-economical implications and consequences of digital technologies deployed in the developing world. This research pays attention both to institutions and individuals involved in and impacted by digital health deployed in a context where health coverage is far from being universal. Based on case studies in South Asia and Sub-Saharan Africa, this research unpack the major alterations to welfare states, health services and patients that occur throughout this process of digitalisation.

This paper will focus solely on the African part of our project. And more specifically on mHealth projects deployed to improve financial accessibility of healthcare. It offers to compare two different programs deployed by mobile operators in Sub-Saharan Africa in the past seven years to improve access to healthcare thanks to mobile money services. These particular mobile services represent a brand new form of social protection that needs to be analyzed to understand its implication for individuals that are targeted and enrolled. The first studied program deployed by the Indian mobile operator Airtel started in Ghana in 2010 and expanded rapidly to seven other sub-Saharan countries (Kenya among them). We studied this program in Ghana in 2014 and in Kenya in 2018. Offering a free micro health insurance, Airtel Insurance was contracted by almost 3,5 millions Ghanaians and more than 2 millions Kenyans. The second program appeared concomitantly with the fall of Airtel insurance in Kenya. Called M-TIBA, it was launched less than two years ago by the leading mobile operator in Kenya, Safaricom (owned by the UK-based Vodafone MNC) and reached already almost a million subscribers. Based on the most famous mobile money platform in the world – M-PESA – it offers a mobile wallet dedicated to health expenses. We studied this program in Kenya in 2018 and our fieldwork is still going on.

In one of the most “uninsured” part of the world, these programs constitute a commercial response to a burning international public health issue: universal health coverage. Shedding light on the lack of a welfare state, these services promise their first health coverage to Africans that fall into debt to cover medical costs. Because mobile markets in Africa are dominated by prepaid users – 90% of customers buy credit as they go and repeatedly switch operators – mobile based health insurance services are strongly related to the construction of a sustainable and profitable mobile market in a competitive and unstable African context. Indeed, health coverage comes here as a “stickiness” program ; a bonus for loyal customers and a way to keep them.

## **Public private partnerships and the financialisation of infrastructure in SSA**

Kate Bayliss (SOAS University of London) and Elisa Van Waeyenberge (SOAS University of London).

There has been a revival of advocacy of the use of Public Private Partnerships (PPPs) in infrastructure provision (see Bayliss and Van Waeyenberge 2017). The current PPP revival, while building on the pro-privatisation rhetoric of the past three decades, represents a departure from previous privatisation policy due to the central role played by global finance. This has led to a shift in infrastructure policy which is increasingly focused on reconstructing sector investment around the needs of investors. The financial imperatives driving PPP expansion is at risk of producing tendencies towards the standardisation of policies across countries, governing the provision of particular services rather than that infrastructure policies reflect local circumstances and needs.

This paper aims to shed light on the actors and processes involved in the attempts to roll out PPPs across SSA and to assess the implications of PPP-promoting measures for the conceptualisation of the policy space around infrastructure. It situates PPP advocacy within the (broader) context of the increasingly financialised nature of development policies and argues that the promotion of PPPs undermines the policy space for alternative avenues for infrastructure provision that offer greater potential for social citizenship via democratic accountability and broadened access to quality public services. As such, we see PPPs as a wedge in how the policy space around infrastructure provision is being redefined, with important repercussions over and above their (relatively small) immediate financial significance.

## **“If You Fall, Stand Up Again”: Financial Literacy as Debt Discipline**

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Over the past decade a range of development actors have begun implementing financial literacy projects in low-income countries. Such programs have become a key pillar of financial inclusion projects targeting the rural poor. To date, these projects have received little scholarly attention. Here, we draw on ethnographic observation of two financial literacy programs—both implemented by microfinance institutions in Cambodia—alongside interviews with providers and participants, to examine the practices of financial education in the Global South. Our findings highlight that while financial literacy purports to be a technical, skill-building intervention aimed at enabling knowledge, its practices primarily work to impress on borrowers moral lessons associated with creditworthiness, while also stressing individual responsibility for debt stress. Further, we explore the various tensions and contradictions that limit the potential of such programs to serve the rural poor.

## **A Shareholder State and development financial institutions: Financialization, emancipation and (re-)politicization**

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In the academic literature, the rapid increase of DFIs' activities since the late 1990s are often analyzed as an illustration of a broader financialization of development policies (Chiapello 2017) and the emergence of an investment state (Mertens & Thierman 2017), emphasizing how much DFIs have a tendency to emancipate from political guidance. The paper first seeks to demonstrate that such a phenomenon of a financialization of development is indeed taking place, focusing on the reasons and the modalities of DFIs emancipating from their supervision authorities. We complement this perspective by emphasizing a different argument, i.e. we show that DFIs do not escape politics but now fall under the scrutiny of new political actors nowadays. We focus on three different case studies: the French Proparco, the European Investment Bank (EIB) –and its investment facility dedicated to African, Caribbean and Pacific countries, and the South African Industrial Development Corporation (IDC).

## **Financing health in low-income countries, or when donors of overseas aid must become buyers of vaccines**

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Health has become a major expenditure for international aid. This trend is associated with the emergence of new global partnerships that involve philanthropic donors and the private sector alongside traditional development aid actors (e.g. governments and UN agencies). This paper will examine a partnership called GAVI the Vaccine Alliance whose stated aim is to improve child immunization across the world. GAVI routinely collects money from wealthy governments and philanthropists, centralizes requests for vaccines from the health administrations of low income countries and uses the money to satisfy these requests by buying vaccines manufactured by private firms. The organization claims to “shape vaccine markets” by devising procurement agreements that ensure the long-term reliable supply of vaccines at a reasonable cost. Grounded within Science and Technology Studies work on markets, the paper will unpack one legal device that organises the financial circuit through which life-saving vaccines are expected to be delivered globally.

## **Financial Inclusion via G2P Payments: The South African Experience**

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In recent years financial inclusion has become a key development strategy, with a strong role for the private financial sector. In addition, the rapid expansion of social cash transfer programmes in the global South, in combination with the emergence of new payment technologies, has opened up a new opportunity to ‘bank the unbanked’ at a large scale, using Government-to-Person (G2P) payments. South Africa was one of the first countries to adopt this approach, although with mixed results. This paper illustrates how South Africa implemented the ‘G2P strategy’ and discusses the outcomes for the poor, the state, and the financial contractor. In addition, it contrasts the South African case with the experiences of Brazil and Mexico who adopted a similar approach but with vastly different results. The aim of this paper is to critically evaluate the current implementation of the ‘G2P strategy’, as well as the business case for private financial companies in this approach.

## **The gender of debt and the financialisation of development. Insights from rural southern India**

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The recent debates about financialization pay little attention to its gendered dimensions. Development is no exception: the growth of interest in female credit and female “financial inclusion” has run alongside considerable neglect of women's debt. This paper provides empirical material about the gender of indebtedness in Southern India (Tamil Nadu). Our data highlights clear gendered patterns in terms of debt/income ratios, borrowing motives and credit use. Besides, we find that Dalit and poorer women tend to bear the highest household debt shares . Not only do financial inclusion policies not tackle gender inequalities related to debt, but they may further reinforce the role of women as budget managers. While these policies have been thought to promote women's empowerment, our findings suggest they predominantly serve as a poor substitute for low and irregular income, the cost and pressure of which is mostly taken on by women, especially among the most marginalized categories.

## **The Travels of Green Municipal Bonds: Reregulation through Standards in the Expansion of Financial Markets to Southern Cities**

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Particularly since the financial crisis of 2008, much has been written about the growing influence of finance in the development of EuroAmerican cities (Aalbers, 2008; 2015; Christophers, 2014). Today financial markets also appear to be expanding southwards. Yet while few existing studies on the financialization of Southern cities (Halbert and Rouanet, 2013; Searle, 2014; Sanfelici and Halbert, 2015; Kutz and Lenhardt, 2016) helpfully explore how international investment changes urban development locally, they say less about the actors, procedures and regulatory efforts through which global market expansion is forged and expanded in the first place.

In this paper, we highlight the role of standards and Standards Setting Organisations (SSOs) in fostering market expansion. In particular, we examine the role of SSOs in the travels of a novel financial tool, Green Municipal Bonds (GMBs). GMBs are debt instruments that allow cities to raise capital through the issuance of bonds that is solely to be invested in certified sustainable projects. First employed by European and North American cities, the paper examines their spread to Johannesburg and Mexico City, the first Southern municipalities to issue GMBs. Based on the analysis of strategic and legal documents as well as government reports, we inquire into the ways in which GMBs were introduced, altered and implemented through local policy, but in interactions with global actors in the case study sites. In particular, we highlight how standards circulate knowledge, foster market transparency, minimize economic risk, thus transnationalize and privatize regulatory environments to foster market expansion.

## **Dissolving Responsibilities: The financialization of development aid**

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In this paper, we analyze the increasing financialization of development aid. We ask what the role of state-owned Development Finance Institutions (DFIs) in “responsibilizing” private capital while acting as drivers for and accelerators of financialization has been. In doing so we position the increased role of DFIs in a larger historical political economy. Additionally we identify five processes that accelerate financialization through the increased role of DFIs: 1) Financialization through organization 2) Financialization through cash flow from financing activities 3) Financialization through investing activities 4) Financialization through routing, and 5) Financialization through valuation. Throughout the paper we analyze and illustrate through the shifting roles European DFIs, with a particular focus on the Finnish state-owned DFI, Finnfund and its UK counterpart, CDC. The paper builds on a systematic literature review of development funding and aid, the case illustrations build on analysis of policy and legal documents, media and public reports, as well as participation in various meetings and stakeholder events of the case DFIs.

**Transitions from Self-Help Group (SHG) to Micro-Finance Institution (MFI) lending in a South Indian town: Understanding stakeholder interests from the perspective of loan disbursal staff**

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This paper will follow the experiences of a group of loan disbursal agents in a South Indian town who have worked together for almost 20 years - first at an Non-Government Organization (NGO) involved in establishing and managing Self-Help Groups (SHGs) and then at a private micro-finance institution (MFI). Their experiences capture key transitions between these two models for distribution of private finance for development in India and offer an entry point into understanding the features and institutional mechanisms of each. It also discusses recent changes in their roles, after the MFI was granted a license to become a Small Finance Bank (SFB), which are again indicative of policy changes resulting in a transformation in the financial landscape in India.

## **The emergence of blended finance as a new financial tool for international development policy: the case of the European Commission**

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Blended finance is now the current trend in international development finance to help raising additional resources to achieve the Sustainable Development Goals (SDG) Agenda by 2030. It involves the combination of grant aid sourced from official ODA with other private or public sources of finance, such as loans, risk capital and/or equity. The grant aid is expected to leverage the additional non-grant financing to deliver needs that are failing to be addressed particularly in sectors crucial for economic growth such as infrastructure, energy or private sector development projects. Grant aid can take different formats such as direct investment grants, interest rate subsidies, and technical assistance. This paper discusses why and how the European Commission (EC) started to promote blended finance as an innovative financial tool to support the bloc's international development policy.

## **Actuarial States: the everyday life of insurance in Paraguay**

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It is well documented that turbulence in the economy and our ever-more unpredictable climate offers elite actors an opportunity to prospect for new sources of profit. In Paraguay, the state has partnered with the insurance industry itself to mediate and transfer risk. This is accomplished by subsidizing policies – especially life insurance – for its most vulnerable citizens. This paper is an ethnographic exploration of the effects of insurance: its movement from the Central Bank of Paraguay, to military operations, to the global reinsurance market, to the debit cards of welfare recipients. As I draw out diverse encounters with risk my focus will be on its persistent “domestication” — in the double sense of specific techniques of actuarial governance, but also a wider feminist attention to the domestic and its distributional politics. As insurance cover in Paraguay spreads, these mundane acts of risk management also provide a glimpse of more radical, interdependent, and obligated financial futures.

## **“I prefer to remain old school and be safe”: Fear of Fraud and Governance of Risk in Nigeria’s Cashless Ecosystem**

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A snag of the introduction of cashless policy in Nigeria since 2014 has been pervasive electronic Banking fraud (e-fraud). Cashless policy encourages electronic transactions with a view to reducing physical cash in the economy and thereby reduces the risk of cash related crimes. Although the policy is to foster transparency, curb corruption/leakages and drive financial inclusion, the growing perpetration of fraud has become the unintended consequence of the initiative. This has implications not only for the adoption of e-banking as a secured platform by the banked but is also a major threat to efforts to capture the unbanked populace and halt financial exclusion. This study examines the fear of fraud and risk management in the Nigeria's cashless ecosystem. Based on the findings, suggestions on financial literacy education, anti-fraud advocacy and strengthening institutional mechanisms are offered.

## **Dilemmas concerning the involvement of private institutions in development finance: The case of PROSPERA, a poverty alleviation programme in Mexico**

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PROSPERA is a Government Conditional Cash Transfer Programme in Mexico, oriented to alleviate extreme poverty by broadening the poor's capacities in the procurement of food, health and education. One of its most recent components is PROIIF (Programa Integral de Inclusión Financiera: Integral Programme for Financial Inclusion), which is implemented in coordination with BANSEFI (Banco del Ahorro Nacional y Servicios Financieros: National Savings and Financial Services Bank, that receives government funding to a large degree). PROIIF seeks to substitute informal financial practices for formal ones, to improve financial conditions in the formal financial market, to generate a larger income for its beneficiaries by diminishing the use of cash transfers to cover high interest rates charged by usurers, promote savings, generate tools and knowledge that will help increase productivity in this segment of the population and generate credit histories for the target group.

Collaboration with BANSEFI Bank is critical for these purposes because PROSPERA lacks the capacity to provide financial services and BANSEFI has offices in relatively remote places all over the country. However, such partnership has not been very successful. This has led PROSPERA to seek other collaborations with the private sector, including NGOs, cooperatives, private microfinance institutions and private banks. In this paper I shall discuss the dilemmas this entails for the government programme, including institutional and policy concerns. But such intervention has had an important impact in the financial circuits involved at the local and regional level (including households, communities, municipalities and states), which is an important focus of this paper. I will highlight the implications this has for development at regional and national levels.

In analysing the data, I resort to theoretical instruments to delve into the development interfaces, wherein different actors with diverse goals interact, coalesce or clash. Interface analysis provides a view into the dynamic scenarios wherein state officers, private institutions and local actors make demands on each other, accommodate to the other's views or engage in disputes over particular issues. It entails taking into account their livelihood concerns, their needs, their capacities and their goals. This is critical in order to delve into their frameworks of calculation, which help us understand the scaffolding put in place in coming to grips with the financial scenarios they are faced with. Such scenarios are continuously being constructed in people's daily interaction, wherein they more often than not resort to juggling the diverse resources they are able to access.

These elements forge the underpinning for a broader, yet more grounded, view on the nature of development endeavours and the ways in which particular forms of intervention shape the directions it might or might not take. I will focus especially on the issue of financial endeavours and the circuits forged under the influence of significant interfaces.