

A JOURNEY FOR CHANGE IN INCLUSIVE FINANCE AND SOCIAL BUSINESS

Episode 2: From Economist to Women's Champion – Roshaneh Zafar's Vision for Financial Inclusion

Philippe Guichandut: Hello, I'm so happy to be today with Roshaneh. I'm Philippe Guichandut, I'm the General Secretary at the Foundation Grameen Credit Agricole and Roshaneh has been in the sector of financial inclusion for so many years because you set up in 1996 KASHF Foundation to empower women financially in Pakistan. So could you tell us a little bit about your journey and why you decided to do this, please?

Roshaneh Zafar: Thank you, Philippe. It's great to be here today. And, you know, your question has taken me back 30 years of how I got into microfinance. And I met Dr. Yunus by chance. I was working for the World Bank and in a conference and we were sitting around a conference table, and he explained to me what microfinance was doing for women. And the mantra he used was "Take money to earn money". And having studied economics and finance, I realized the power of the economy and how that can transform lives. But it took me another two years to actually just continue to question how development was working in the larger multilateral space. And I would write to Dr. Yunus, and he would send me back case studies of Grameen Appas, as they're called, the women of Grameen and how they were taking, you know, life into their own hands and making their own decisions. And that really fascinated me. So, I left my job and ended up in Dhaka.

Philippe Guichandut: Good, good. And what were the other advice that you received from Professor Muhammad Yunus? Because I know that you met him a few times.

Roshaneh Zafar: So, yeah. So, the story is actually gets more interesting because I wrote to him. I left my job. I wasn't very clear if I wanted to stick around in the, you know, the larger alleyways of development. And I emailed him and said, Prof. Yunus, I'm out of a job. I'm unemployed. What should I do? There was radio silence. I didn't hear back. And I started wondering and I said, oh, God, I've left my job. I've burnt my boats. I don't know what to do. And my mentor is not responding. So I had a lot of anxiety.

But one day the phone rang and I answered. And the local airline office called me and said, oh, there's a round trip for you from Dhaka, from somebody called Muhammad Yunus. And there began my journey. So, I ended up in Bangladesh. And I can't tell you and I can't thank enough for the generosity of the Grameen Family on how they welcomed me and opened their arms and gave me the wisdom and advice to start KASHF. I was not, I mean, I was 27 years old. I had no idea that I wanted to do this. But somehow, I think Prof. Yunus had gauged me more. He knew me more than I knew myself. So, in this process of learning, I'd been there for 10, 10 weeks almost. He called me in and said, Roshaneh, Bangladesh does not need you. Pakistan does, if you want to start anything. Here's a ten thousand dollar check. And I do understand you have fears. If you fail, tell the world that it was Prof. Yunus's fault and not yours. So that's how the journey began.

Philippe Guichandut: But you didn't fail. Before telling about all your achievements, I mean, could you tell us what are the main barriers that women, especially in Pakistan, are facing in terms of getting access to finance services?

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Roshaneh Zafar: So, I think the barriers start from the moment a girl child is born, however she has access to nutrition, whether she has access to education. So, the whole ecosystem is not responding to her needs, essentially. So as a result, once you don't have those opportunities, your chances to succeed in life are reduced. So, poverty has a huge feminine face in Pakistan and in fact, in a lot of other countries as well. So, it starts from the moment that the discrimination begins from the moment the girl is born. But then if you look larger from an entrepreneurship perspective for women, it's access to property, to land, to laws, to legal advice, to mobility, to financial access. So, when we started working in KASHF, we, of course, took the first step forward, which was to design financial products, in this case loans, that could help women entrepreneurs start businesses. But then we realized the next stage was self-actualization. How did they how could we build their self-confidence to use the loans properly? Because the chances were they didn't have the voice and the agency in their families. So, the men may take over the loans. So, we started doing trainings with women. But that wasn't enough. We had to do trainings with men also to educate them, to support their wives, to run businesses. So, the barriers are layered. There is very overt discrimination that you will see in reality. And then there is very hidden discrimination that's there as well. So, we had to work around them. And I always say working with women and gender equity and creating a level playing field for women is like peeling an onion. You have to constantly innovate and add more services.

Philippe Guichandut: When you peel onion, you cry.

Roshaneh Zafar: And then you laugh also. So, it is.

Philippe Guichandut: Yes, yes. And so, could you just give us a few figures about your achievement? And then you mentioned that you develop different products. And I'm pretty much interested in what you have been doing in micro-insurance. And also, I know that you have a new scheme in terms of micro pension products. So why did you come to this type of product and services and how does it impact the women?

Roshaneh Zafar: So, the *raison d'être* for KASHF has always been a gender lens. Whatever we do, we put the women entrepreneur in the center of it. And our job is to clear the pathway. So when a woman starts a business, what are the challenges she faces?

The first, obviously, as I said, is she needs financing. You get the financing. The next is decision making.

So, you work on the capacity building. You give her skills on financial management, on business development. So that helps her succeed in her business. But then we also started looking at what the transformational impact of our programs was. And we realized that as a woman builds a business and the family moves forward, what happens with time is if there is a financial health crisis, then the woman is more likely, and her family is more likely to move back again. So that's how the initial health insurance idea came around. And that's how we designed health insurance. But when we went to insurance companies, Philippe, they said to us, oh, OK, micro-insurance, this doesn't work. It's not affordable. How is it? And if you're putting women at the center, we are not going to cover reproductive health.

Well, we said that's not going to happen. Not on our watch. We have to make sure that any product we offer, it must have reproductive health covered. So then the way we came up with it was that this had to be a generalized, mandatory insurance product, not something that would be chosen by the... It was embedded. It's an embedded product that we had to...

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Philippe Guichandut: And so how many people altogether are covered in your reaching?

Roshaneh Zafar: Currently, we have about six million individuals who are covered. But if you add families, that's almost 18 million individuals.

Philippe Guichandut: Very impressive. And I think that this integrated approach makes a lot of sense for you, combining both financial services, savings, also insurance, health services and so on. And I mean, do you think it's a key to success for an organization like you?

Roshaneh Zafar: So, integration and holistic financial services is really key for a woman. So, when you think about a woman's life, she's not just... She's doing... We say we multitask all the time. So, she may be running a business, but she's also handling her family. She's also making a decision on how to save for the future. She's also thinking, oh, I need to rebuild my... strengthen my roof before the next rain starts. So, a woman is at the center of all these financial decisions. That's how we build our products. We started with credit. We moved on to insurance and we have insurance that are also for specific trades. So, for livestock, for example. And then we introduced the micro pensions, because when... which is a product that allows women to save in the long run because it's women who are the thrifty ones. I remember when we first did research, which was almost 20 years ago, and we went and interviewed men and women in communities, the men said, but I don't save. Don't talk to me about that. It's my wife who does. So that's how we then designed a product that is... And when we talked to women, they said we want to save up for a longer term. So that's how the micro pension program came about. That it's something that gives women the long-term sort of planning ability, which they wouldn't have otherwise, because when you look at a low-income household, their daily needs are so, you know, the cash needs for their daily requirements are so difficult to manage that thinking long term becomes very difficult.

Philippe Guichandut: OK, so, you know, KASHF Foundation is very famous and so on. But I guess you have not done this alone. I mean, you have done it through partnerships. So, which one has been the most relevant? I mean, in helping you to transform these ideas you had with discussing Professor Yunus becoming one of the largest MFIs?

Roshaneh Zafar: So, Philippe, one of the things I learned in life, never take no for an answer. That's really, that's always been our approach. So, I remember when first time in 2000, when we wanted to introduce credit for life insurance, because our clients had come to us and said, you know, we need that support. We need what happens, who will pay my loan if I'm no longer in the world? So for from an Islamic perspective, that was very important for the client. So, when I first went to the first largest insurance company in Pakistan, they laughed at me. And I said, well, I will be the one laughing last because I'll convince you to do it. And it did. And now as a result of that, the first product we did, insurance has taken off in Pakistan. So, I think, yes, working with partners has been wonderful. The insurance partners we have across Pakistan, we've worked with all of them. The investors we've had, like Grameen Credit Agricole, who have believed in us and who have believed in the resilience of women entrepreneurs in Pakistan. We won't have been able to do it without them. We were the first ones to do a gender bond in Pakistan. In fact, in South Asia, we were the first ones to do a gender Sukuk, which is in. Sukuk is a bond, but it's a Sharia compliant Islamic bond, which we did in Luxembourg, in fact. So, we were the first ones to do that. So, the idea is really for us, this was very exciting because we wanted to bring credit markets, capital markets to women entrepreneurs in Pakistan. So, the point is, you constantly have to work with partners, find the partners. My belief has been find the partners who have the same values as you. And that's really been the success factor.

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Philippe Guichandut: Yes, I could talk to you for hours because you have such long experiences, but I mean, we are running a little bit out of time. So maybe a last question would be, what would be your advice? I mean, to other organizations, organizations in the Grameen family that would like to have much more, that would like really to deepen the impact they have on women empowerment, because at the Foundation Grameen Credit Agricole, we strongly, strongly believe that, I mean, development and solution, we come through women empowerment and women inclusion and so on. So, you were talking about values, sharing same values. So, I hope we do have the same. But what would be the advice?

Roshaneh Zafar: So, I think we have to, my advice to people who are wanting to start or replicate or grow their programs. This is not a transaction. This is about transformation. So, ask yourself that question. What is the mission? What is the DNA that you have? What are the, you know, like the value proposition that you bring? That belief is very important. And communicating that as a leader becomes even more important. So, for me and for any advice that I would give, the first thing would be : be value driven, because without values, you will not be, and you won't be able to do this. You have to understand impact. What is at the end of the day that you're trying to change? What is the change you want to see? So, start with the change, bring in the values and then you build your strategy. That's the best way to do it.

Philippe Guichandut: OK, thanks a lot Roshaneh. It has been a real pleasure to be together today. And I really wish you a safe trip back to Pakistan. And then, of course, we're going to have new interview in the future. Thanks a lot.

Roshaneh Zafar: Thank you.