

For Immediate Release: September 21, 2009

Media Contact: Susan McDonald 617.495.8132 or Doug Gavel 617.495.1115

Harvard Center for International Development Convenes Empowerment Meeting: Focus on Financial Access for Global Poor

CAMBRIDGE, MA. – More than 50 top entrepreneurs, scholars, nonprofit leaders, government officials, and other thought leaders convened September 16-17 at the John F. Kennedy School at Harvard University for the second annual **Global Empowerment Meeting** hosted by The Empowerment Lab at the **Center for International Development (CID)**. Established with a seed grant from the MPOWER Foundation, **The Empowerment Lab** focuses on research to promote economic inclusion, finding sustainable ways to empower the global poor by providing them with access to key markets.

The 2009 meeting focused on opportunities and challenges for financial empowerment in developing countries, with the goal of extending markets and financial services to more than two billion people who are currently unbanked or under-served. Participants participated in discussion panels and roundtable sessions focused on financial access, savings, regulatory issues, and technological innovation. The meeting explored the latest research and fostered dialogue to devise creative solutions across the private, public, and nonprofit sectors.

The keynote address was delivered Sept. 16 at the Harvard Faculty Club by **Dr. Andrés Velasco**, Minister of Finance, Chile, and a former professor at Harvard Kennedy School. Ricardo Hausmann, HKS Professor of the Practice of International Development and Director of CID, moderated the Sept. 17 meeting, which included a luncheon keynote featuring Dean David Ellwood of the Harvard Kennedy School and Lant Pritchett, HKS Professor of the Practice of International Development.

Suzi Sosa, president of MPOWER Foundation said, "Inclusion in a market economy is a crucial component of individual economic welfare. More than two billion people around the world lack access to basic financial services, such as a savings account. There is no way we can hope to solve the problems of empowerment and financial inclusion without research into the systemic causes. We need to engage the research and academic community to build rigorous tests to know if we're headed in the right direction. But that research would be futile if it is not disseminated to the world. That's why we bring policymakers, academics, regulators, and entrepreneurs into one room together."

Sosa added, "The Empowerment Lab is not just about financial empowerment. Our vision is for the Empowerment Lab to address issues of health and empowerment, gender and empowerment, education, civic engagement, and empowerment."

Technology and regulation were key themes for this year's event, as well as a discussion on the effects of the financial crisis. Participants agreed that progress in the area of financial regulation could have a powerful effect on improving access for people not currently using banking services. Regulation of financial products and services -- including laws surrounding consumer protection, privacy, and lending -- can also limit access to financial products and have counterproductive effects. Participants sought solutions that enhance access for individuals while maintaining financial prudence for institutions.

Providing a broad perspective on how countries develop, Hausmann presented research on product space networks, in which countries grow by upgrading from current export products to other, usually

more sophisticated, related products. “At CID, we’re interested in why some countries are poor, some are rich, and how the poor can become rich,” he said. “If you think in this paradigm about how a country develops new capabilities -- and how to leverage those capabilities with other countries -- it offers answers of how nations make that leap to development.”

Roy Sosa of MPOWER pointed out how this macro analysis can be applied at the micro level, as small retailers innovate to expand their businesses, developing new capabilities. For instance, small business owners in developing countries may expand from standard retail shops into serving as access points for mobile technology, mobile banking, and other services that empower their customers.

The Sept. 17 technology discussion focused on the opportunities created by the explosion in product innovation and rapid penetration of mobile technology in previously remote areas of the world. The growth of technology creates access opportunities for digital banking, mobile purchases, and transactions branching beyond the financial sector into health interventions and mobile education. The adoption of mobile phones has also created a rich store of digital information regarding markets, networks, and individual behavior. Yet researchers and policymakers are wrestling with questions regarding security, privacy, property rights to information, and ownership of and access to mobile applications that people can use to change their lives.

Academic participants at the meeting included Asim Khwaja, Associate Professor of Public Policy, Harvard Kennedy School; Rema Hanna, Associate Professor of Public Policy, Harvard Kennedy School; Iris Bohnet, Professor of Public Policy, Harvard Kennedy School; Dr. Julio Frenk, Dean, Harvard School of Public Health; Peter Tufano, Professor, Harvard Business School; Shawn Cole, Associate Professor, Harvard Business School; Yale Professor Dean Karlan; Andrew McAfee, MIT Center for the Digital Age; and MIT Professor Sandy Pentland.

For more information on The Empowerment Lab, visit www.cid.harvard.edu/empowerment .

###

About the Center for International Development (CID)

This Harvard-wide center seeks to advance understanding of development challenges and to offer viable solutions to problems of global poverty. The CID seeks to be a leading research hub focused on resolving the dilemmas of public policy associated with generating stable, shared, and sustainable prosperity in developing countries. CID’s Empowerment Lab supports research and activities that explore what limits the reach of markets and how to overcome those obstacles. By systematically examining what works and what doesn’t, The Empowerment Lab identifies innovations that enable individuals and communities to take control and improve their own lives.

About MPOWER

The MPOWER Foundation (www.mpowerfoundation.org) is the philanthropic arm of MPOWER Ventures, (www.mpowerventures.com), a socially committed venture capital fund investing in financial service with a focus on international payments, mobile payments, and retail financial services. MPOWER’s mission is to empower the underserved by accelerating the growth of businesses that bring new and needed products and services to underserved markets. With a focus on social entrepreneurship, the foundation’s current portfolio seeks to improve access to financial services and better enable individuals to achieve long-term financial empowerment. The MPOWER Foundation awards grants by invitation only.