Driving Inclusive Growth through Community-Based Solutions

by Sarah Glaswand

There is a common misperception that people who are poor don’t know how to manage their finances. In addition, many believe the poor do not have money to save. On the contrary, those of limited means often have experience handling tight budgets and many would save if given the opportunity; however, more often than not, their options to do so are limited.

This is the exact problem [Chetna Sinha](http://www.forbesindia.com/article/leadership-awards-2017/chetna-gala-sinha-the-silent-crusader/48685/1%22%20%5Ct%20%22_blank) identified during her pioneering work across rural India. Women in her community wanted to save money. Yet, despite these ambitions, banks were uninterested in helping these women open savings accounts as the amounts they wished to deposit were negligible and didn’t justify the cost.

Undaunted and unmoved in her belief that everyone deserves a place to save their hard earned money, Chetna sought to start a new bank that would serve the women in her community. Initially, the Reserve Bank of India (RBI) declined Chetna’s application for a banking license, arguing that the women she wished to partner with were illiterate. Upon hearing this objection, Chetna’s partners quickly banded together and spent nights learning to read and write. When Chetna later returned to RBI, she was accompanied by 15 literate women, all of whom wished to open accounts in her new bank. After proving their financial acumen to RBI, Chetna’s application was approved. This was the beginning of the [Mann Deshi Bank](http://www.manndeshibank.com/%22%20%5Ct%20%22_blank).

Twenty-two years after its founding in 1996, the Mann Deshi Bank serves more than 200,000 customers – all of whom are women living in rural areas – and has more than $20 million under management. The bank’s success is a function of Chetna’s willingness to regularly integrate feedback and learnings from customers into the products and services Mann Deshi provides. Here are a few examples:

When the bank first opened, Chetna assumed women would automatically start asking for loans; however, she quickly learned that women were reluctant to apply for the loan because they didn’t have stable sources of income. As a result, they believed that banks wouldn’t lend to them. These women, many of whom were farmers with irregular cash flow, needed a financial product that was designed specifically to meet their needs. Mann Deshi created a new product to address this issue and now, thousands of women farmers are taking out loans.

With a growing loan portfolio, Mann Deshi was also eager to help women save. The bank bought and distributed boxes where women could keep their cash savings at home. Yet, as this program went to scale, Mann Deshi discovered that women were reluctant to participate. When asked, many women explained their reticence by noting that deposit boxes at home were prey to husbands or other family members that could access and use the money before the women were able to deposit the funds in a bank. Chetna was quick to conclude: “Never provide poor solutions to poor people.” Seeking a solution, Mann Deshi realized that many women worked during the day, making it challenging to visit the bank. So, rather than expecting customers to come to the bank, Chetna decided to take the bank to its customers. Mann Deshi began sending bank representatives door to door to collect deposits. Door-step banking was invented as a way to give women financial access and, equally important, financial control.

Finally, Mann Deshi embraced digital banking to make financial services accessible and convenient for their clients. Their first digital product required customers to remember a PIN in order to access funds. As customers began using the product, the bank soon received feedback that PINs were hard to remember and perceived to be insecure. Seeking human-centered solutions, Mann Deshi heard from customers who advocated for the use of thumbprints as a means of personal identification. As a result, the bank integrated biometrics into their digital products, making access to bank accounts safe, simple, secure and significantly faster.

Mann Deshi’s success is a testament to Chetna’s ability to listen to the women microentrepreneurs she serves and address their needs through innovative, community-based solutions. She has provided an opportunity for women to seize control of their own futures. To further this mission, Chetna created the [Mann Deshi Foundation](http://manndeshifoundation.org/%22%20%5Ct%20%22_blank), an organization that helps women acquire business skills and provides access to markets that can help them unlock their full potential. Chetna’s vision and extraordinary work prove that when we provide people access to the networks that power the modern economy, we can create a more inclusive world.

Learn more about Chetna Sinha’s journey from her recent [TED talk](https://www.ted.com/talks/chetna_gala_sinha_how_women_in_rural_india_turned_courage_into_capital?language=en" \l "t-452871" \t "_blank).

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