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CHAPTER 13

Betting on Chance in Colombia

Using Empirical Evidence on Game Networks to Develop Practical Design Guidelines

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Every evening, after leaving his sales cart at a nearby building, Juan, an informal seller, counts the money collected from sales that day. He makes sure to set apart ten USD for paying the daily rent for the room where he lives and the food he will prepare that night. He also takes a quarter of a dollar and walks to the closest betting kiosk. Every day he thinks that maybe this is the night he will guess the winning number of the Medellín Lottery that plays at 10:00 PM. Upon arriving at the kiosk, Juan tells the clerk to place a bet on the number 3567 and promises her that, if he guesses the winning number, he will give her a small commission from the three hundred dollars he gets. Juan also makes a secret promise to send a remittance of fifty dollars to his brother – from that very kiosk that would have proven to bring him luck.

Betting games have been a common practice among Colombians since colonial times (1600s–1800s). Whether lottery, cards, or dice, government authorities historically have tried to keep these practices under control through fiscal laws in order to prevent "the dissolution of hierarchies and the establishment." By the second half of the eighteenth century, city councils had already banned many of these practices, demeaning them as belonging to the common people and not appropriate for higher classes (Jiménez 2007: 92–93).

The game of Chance is a widely popular betting game in Colombia, especially among the poor. In a nutshell, this game is a more economical version of a lottery (around USD $0.25 per bet), in which a person tries to guess two, three, or four of the winning numbers in an official lottery. Although prizes are a lot less than winning a lottery (around USD $250), people have a greater chance of winning. Chance spread from Cuba to Colombia and became popular during the 1970s. This practice has been regulated by the state since 1982 due, in part, to the fact that illegal groups were using this betting game for money laundering ("Los Juegos que se Mueven tras el Chance" 2008). In 2001, the government took direct control of Chance as a "state monopoly" and created a strict legal framework that only allows electronically issued tickets, thus promoting the use of mobile devices for street sales (Sociedad Colombiana de Apuestas S.A. 2013).

While mobile-money services (MMS) have become a tool for financial inclusion for the poor in countries such as Kenya, India, and the Philippines, in Colombia cellular phones are mainly used for necessary calls, often through informal "minute-sellers" that offer lower-cost minutes than the prepaid plans (Ipsos – Napoleón Franco 2010). Although there are now more cellular phones than inhabitants in Colombia ("Colombia Tiene 46,1 Millones de Líneas de Telefonía Celular" 2011) and banks offer mobile banking services at no cost, by and large, the poor prefer to use game networks for conducting their financial transactions. Given that mobile and online financial services require clients to have a bank account, the low penetration of banking in Colombia represents a huge obstacle, especially for the poor (Villabona 2010). In contrast, game networks have specialized in offering a range of cash-based services that don't require previous affiliation. Since 2007 these networks have been expanding their services to the extent that nowadays people can send and receive remittances; buy insurance; pay utilities; reload prepaid energy, television, and phone services; among other things. They also serve as banking correspondents for people with bank accounts. Game networks have a nationwide presence through kiosks and independent sellers – via point of sale (POS) terminals located in city streets and rural areas.

Between 2007 and 2011, nonbanking correspondents, including retailers' chains such as Exito, small grocery stores, and corner shops, moved around US$7.7 billion ("De la Banca a la Titular" 2011). Meanwhile, game networks totaled about US$15.2 billion in remittances alone ("Giros Nacionales Casi Igualan Remesas" 2011). At the same time, mobile banking transactions represented only 0.5 percent of all banking transactions, an amount so small that the banking association Asobancaria does not even quantify it in its yearly reports because this channel is mostly used for checking balances (Asociación Bancaria y de Entidades Financieras, Asobancaria 2011).

The dramatic contrast between the game network's popularity and the sluggish adoption of other digital networks presents an interesting opportunity for identifying key aspects of users' needs that mobile services have failed to address. By using video-ethnographic methods, our team of social scientists and designers documented the activities of twenty-one informants who work in street sales in the city of Medellín, Colombia. Why, we asked, are these game operators preferable as financial service providers for the poor? What needs do they address? What can mobile-money service providers and microfinance institutions learn from these local institutions and practices? Although this study only covered a limited geographic area in Colombia, the findings and guidelines can be applied in different contexts affected by poverty in this country and beyond. Through an exercise in design thinking, we draw attention to criteria that should be taken into account when developing new products and services that are aimed at facilitating the use and exchange of money among people with scarce resources.

Proximity, Immediacy, and Simplicity

The business of informal sales relies on those small amounts of cash that people carry in their pockets and that can be quickly used to buy products and services on the go. In fact, as the monetary economy expands, there is an ever-growing use of fractioned money, which allows people to buy all sorts of things and feed the industries that live from this market (Simmel 1997: 243–55). Street sellers must have access to small amounts of cash; also, the gains in cash at the end of the day are used to buy the next day's goods. This situation leaves very little room for payment and saving options other than cash.

In other words, the informal workers who spend all day in streets and public spaces opt for payment and payment channels that allow them to purchase, pay, send, and save in small amounts and without having to leave their workplace. Transactional services that require a bank account are, therefore, not a feasible option. None of our informants found bank accounts useful or valuable given the inefficiency and inconvenience; there is no point in waiting in line to deposit cash that they would need to withdraw again the next day. Furthermore, most subjects felt that the bank account fees often amount to more than what they make in a day's work.

By contrast, game kiosks allow them to send money, buy reloads, and make payments from their workplace, without the hidden costs and through a simpler process. Kiosks have become a practical tool for these informal workers as they earn income; they can utilize the kiosks to set aside or use available resources in real time.

Importantly, the wide availability of kiosks, both in cities and in small towns, represents a great advantage for almost all subjects, who often send money to a close relative living in another location. For sending a remittance, users only need to provide identification, a phone number, and an address. Since kiosks specialize in small remittances, users do not need to fill out the long forms that banks use to prevent money laundering and terrorism financing. Furthermore, clerks at kiosks operate the terminals, exchange money, and answer questions so that users are not expected to own or know how to use a specific device to interact with them.

The behaviors evidenced here, which touch on the need for immediacy, proximity, and simplicity, present a challenge especially to traditional banking and financial service providers: How can they mediate or facilitate transactions of lower amounts, across multiple geographical areas, without the need of having a formal account? How can they enable transactions among unbanked individuals?

The Users' Income Cycles

Dependent on precarious and unstable sources of income, informal workers become accustomed to buying products and services in smaller units but at higher prices as a way of keeping open the possibility of using "unassigned" or "uncommitted" money to address unexpected needs. In other words, they prefer to pay a price in order to retain control over resources instead of committing these for future use. This need to keep control over resources, along with the uncertainty of a stable income, also leads many informal workers to avoid long-term payment commitments such as credit, rent, stay, and services; they fear defaulting on payments and facing legal consequences that would worsen their current living conditions.

Buying a cellular phone minute, half an hour of internet time, or a dollar of energy are some of the ways people manage spending and retain control over unspent resources. The value of being in control – of both what is used and what is saved – has become more evident with the expanding prepaid energy service offered by Empresas Públicas de Medellín (EPM), Medellín's public utilities company. This service is provided to low-income households that have difficulties paying their monthly bills (Empresas Públicas de Medellín 2011). The company installs an energy counter inside the home that, enabled with a pin pad, lets the user enter a reload code purchased at game kiosks for as little as one dollar. Users of this service feel that having the option to reload small amounts and monitor their energy use has enabled them to stay within budget and save resources. This reload system also shows that it is important to offer services that adapt to income patterns of users and give them control over usage. By adjusting payment cycles to usage patterns, users no longer fall behind payments or get cut off from services.

While formal workers receive regular salary payments that allow them to seek longer-term services, informal workers tend to avoid these commitments. Almost all of the subjects tried and failed to pay using credit for things such as a pair of shoes or a cellular phone, and they are now excluded from the formal credit sector.

Coming back to Simmel's concept that quick circulation promotes both spending and recuperating small amounts of money, these findings support the idea that financial service providers should always avoid the accumulation of amounts due by the user and rather promote a pay-per-use or consumption model. Quick cycles benefit people with unstable incomes, even if they lose the opportunity to save over the long run, because they value having control over the money earned each day to cover immediate needs. As game networks and utility companies have proven, profits can be made on both ends of the spectrum, from long-term as well as short-term circulations. Financial institutions should create new service models for informal workers that, unlike those provided for employed people with regular salaries, offer benefits based on quick cycles rather than on long-term deposits.

Reconfiguring Notions of Family and Practices of Value Transfer

As anthropologist Hernán Henao Delgado (2004) noted, Colombia has lived through ongoing fratricidal struggles during its nearly two hundred years of history as an independent nation-state. Over the past fifty years, the Colombian landscape has become increasingly urban, with peasants and country people moving to cities due to forced displacements. That expulsion process toward the cities has continued as the result of new actors and violence factors: guerrilla and narco-traffic in the 1970s and 1980s. Beginning in the 1980s, another new instigator emerged – paramilitary groups whose political and ideological stance is not yet clear. In this context, migrants, displaced or expulsed people, become inhabitants of a territory that does not belong to them. Migrants end up becoming unproductive beings and a financial burden to society and the state. External pressure generates a destabilization in the daily rhythm of the migrants' lives. Interaction and communication among each community weakens until it disappears at the moment of displacement. There is a process of uprooting parental bonds, family relationships, job occupation, patterns of consumption, and value systems, all of them marked by a deterioration of living conditions (Henao Delgado 2004: 201–14).

Migration due to displacement and the search for employment opportunities has separated and reconfigured most of the informants' families. Parental absence (due to abandonment, separation, or death) and the inability to survive on a single income also affect the roles and responsibilities of family members. "What characterizes this family's time, which seems to transcend into the next [twenty-first] century, is a typology or family modality that is complex in structure with interim adjustments due to agitated changes in institutions and principles in the Colombian culture" (Gutiérrez de Pineda 2005: 290).

The traditional paternalist family model, whereby the father is the sole provider and an authority figure, is uncommon among informal workers. "The masculine authority loses absolutism in favor of a democratic system: inside the family, authority lies on the principle that all decide, do and take responsibility, different from the patriarch system in which the father decides and takes responsibility while the wife and children obey and do" (Gutiérrez de Pineda 2005: 288). Instead, families ensure their survival through other familial arrangements: mothers, children, and older relatives all need to work and contribute to expenses. There are no quotas of fixed economic responsibilities, but each member is expected to help ameliorate the needs of the family.

Likewise, authority and decision-making are no longer parental roles but shared responsibilities. Family members gather their earnings in a common fund. The management and redistribution of that fund is often channeled through the person regarded as the most organized, responsible, and able of the group. Cohesion between family members remains in spite of physical distances, thus making remittances a crucial service for group survival. Family cohesion has been mentioned as an important coping strategy among displaced families who had to separate, relocate, and regroup away from their homes (López and Londoño 2007: 180).

In some cases, adapting to social and economic changes turn families into transient groups. New members join the family while others leave. Domestic partners, single mothers, relatives who can no longer survive on their own all affect family structures and the roles within the group. Then, when trying to assimilate these family groups in relation to the traditional model, family should be defined not only by the network of people that configure these groups but also by the contacts established among them (Parra 2005). In this context, families prefer to use services and tools that allow them to contribute, share, exchange, and transfer value easily among members. While cash is the predominant means for contributing and sharing, service reloads, remittances, and staples are also common ways that members help each other. In the vast majority of cases, money and expense management is a group activity, not an individual action.

Changes in family composition show that having blood ties or sharing a roof are no longer relevant factors to define a family group, thus presenting a new challenge for financial and transaction service providers. There is a growing need for offering services directed toward complex and changing family groups. The nature of services should change from a model based on the individual to a model that revolves around groups. For example, group credits, accounts that allow exchanges among family members, and incentives that promote the continuous use of services could benefit both the service provider and the client-group.

Alternate Channels for Saving and Borrowing

The lack of meaningful benefits from formal savings institutions and the high penalties these institutions charge drive the poor away from banks and toward informal services. Even though game networks offer banking services and are now nonbanking correspondents, informal workers do not use these services. These workers perceive banking services as useless, complex, and costly.[1] Despite the banks' efforts to project a more appealing image to the poor, the general distrust of banks makes it highly unlikely that informal workers would seek to use them for conducting their transactions. Our informants' experiences reinforce these perceptions. For example, almost all of them noted that the amounts of money they handle are so small that a bank account is not worth their while: interest rates do not cover the cost of fees, the security level is unnecessary, and access to a bank account does not guarantee access to credit.

With scarce and unstable income, most informal workers choose to save money out of sight – in cans, inside clothes, or in the back of a drawer – to cover occasional expenses or unforeseen needs. However, saving is not a habitual activity since it entails giving up a resource in addition to self-control or discipline. Skipping meals or walking long distances rather than using public transport are common ways to create saving opportunities. For many of our informants, keeping a shared fund among family members was done to set aside savings for covering monthly expenses such as rent or utilities, not for future needs or for improving their livelihood.

For credit or loans, informal workers rely on "payday" or "drop-to-drop" loans. These loans, provided mostly by criminal groups, come with 20 percent daily interest rates and must be repaid in a month or less. They are used by many of our subjects since they have no access to formal credit. Far from feeling at great personal risk, our subjects expressed appreciation for these lending services. Many mentioned that, unlike banks, payday loans offer quick credit evaluation, immediate cash availability, and on-site services. Some even noted that even if they had access to formal credit, they would still prefer payday loans because a bank would take days to process a request and can always reject it.

As economist Jairo Villabona (2010) points out, unlike other countries, Colombian *bancarization* – that is, the incentive for people to open at least a bank account so that all citizens use the formal financial system and pay taxes – has been closely linked to microcredit programs aimed at small businesses. It has not been consistent in strengthening other financial needs of the poor, such as savings, insurance, and money transfers. *Bancarization* cannot solely consist of, as is often argued, increasing the number of banking correspondents dedicated to collecting payments in distant communities to save the cost of opening offices. Rather, *bancarization* should also comprise allocation of resources, even if the state needs to guarantee or subsidize services (Villabona 2010).

These findings lead us to think that neither the *bancarization* initiative nor the services currently offered by formal credit institutions are solving the problems faced by the poor. On the contrary, it is the use of informal lending until "payday" that constitutes the main resource for financial services due to the speed, ease, and delivery benefits. This shows that the amount of paperwork, the need to have a credit history, and the length of time that formal institutions require to provide credit services have become significant barriers that the poor cannot overcome. At the same time, the popularity of the payday loans, even with abusive interest rates, demonstrate that there is room for developing new models of credit services that can serve the particular needs of informal workers. More flexible regulation that removes the "illegal" component of current informal lending would make it viable to offer short-term and lower-amount credit services. Also, it is evident that formal institutions need to rethink the necessary documentation, processing time, and mode of delivery in order to compete against the existing services that informal workers are using.

Public Space as an Intangible Asset

The need to access a wider customer base turns many informal workers toward public spaces as sites that can serve as a workplace and a source of income. Public space is at the center of an informal economy that provides sustenance for informal workers as well as profits for big companies and illegal groups. In this contradictory scenario, a conflict emerges between the state's need to protect public space and informal vendors' right to work by appropriating public property, which is considered an "invasion" by the state. While citizens lose their right to enjoy public space, formal merchants perceive informal vendors as unfair competition who do not pay taxes or any other cost associated with formal business (Blandón 2011: 14). The source of conflict for production and appropriation in public spaces stems from nomination processes, that is, the extent that a single agent or player has the ability to decide what is public, what belongs to all, and what is of general interest. Indeed, if any of the other players do not find those decisions natural or credible, decisions will be seen as lacking legitimacy (Vergara 2008: 147).

Obtaining the right to work in a fixed location on a busy street can mean years of struggle and persistence; it means reckoning with competitors, public officials, and, often, illegal groups that charge "protection fees." Local governments issue a limited number of permits to street sellers to keep in balance the rights to work and to move freely. However, the number of street sellers is so high that authorities resort to police operations in which merchandise is confiscated and the streets cleared. According to public officials, there are twenty-five thousand public space permits, but during the last ten years the number of street sellers may well have doubled (Zapata 2012).

For this reason, a public space permit has a value comparable to commercial real estate or exploitation rights that can be exchanged or traded in the informal market. For example, one street seller stated that he could sell "his place" for about US$2,500, while another was offered US$7,500 for his permit. None of the subjects with a legal permit would consider selling these permits for fear of losing their clients and sources of income. They are well aware of the value and protect their permits and places as a means to ensure their livelihood.

Some established companies have capitalized on the street sellers' ability to reach clients in public spaces. They provide carts, uniforms, and product training. Street sellers receive inventory in the morning and return unsold goods, profits, and carts at the end of day. Alternatively, as one street seller mentioned to us, he has to pay for dry ice and the melted popsicles that go unsold. If he loses or damages the cart, the company charges him US$250. He has no health insurance or benefits from the company because he is not an employee. As Alejandro Portes states, big companies can save on high costs of tax and labor codes by limiting the size of the declared workforce and by subcontracting the rest to informal entrepreneurs (Portes 2004: 42).

Public space permits carry invaluable information about its owner's work history, commitment to an activity, established commercial relationships, permanence in a community, and estimated income. In other words, the public space permit serves as an informal record of the worker's credit history – which is the only official way permitted vendors can demonstrate these things – but they cannot be used to gain access to other formal services such as bank loans.

As mentioned earlier, informal workers cannot be expected to meet a financial entity's requirements when those requirements are based on the assumption that clients will have stable jobs, own properties, and have an established credit history. Our findings reveal that there are other potential ways to assess and demonstrate an informal worker's capacity and commitment to use a financial service. The public space permit issued by city authorities is one document that financial entities can use as a replacement for employment history. Also, the purchasing history a seller has with his providers, which speaks for his stability and payment capacity, can replace formal credit histories. These alternate assets should be considered by financial service providers to create a different set of requirements that are easily quantifiable and could facilitate access to informal workers.

Bureaucratic Complexity and Financial Exclusion

Even though Colombia's Social Protection System offers a wide range of coverage – including healthcare, pensions, employment and professional risk insurance, as well as other subsidies – the reality is that informal workers have an extremely limited access to this portfolio. The growing complexity of urban practices and services can confuse and overwhelm informal workers who, lacking resources and education, give up on obtaining the benefits to which they are entitled. There are severe limitations in both the access to the aforementioned coverages, as well as the quality of the services received by state-funded programs (Gomez 2009: 130–33).[2]

Just obtaining a card for accessing basic healthcare services requires documentation, waiting in lines, filling out forms, home visits, and other procedures that are challenging for many people. Applying for state subsidies requires even more processing, sometimes lawsuits. Oftentimes the subsidies do not come regularly or are suspended without notice. Besides the difficulties in completing the paperwork, users feel poorly treated by state officials and find the state's inefficiency so overwhelming that they often prefer to go without the services.

For instance, we encountered an older woman who does not know why she stopped receiving a subsidy for the elderly, a single mother who has never heard of state-sponsored child assistance, and two displacement victims who survive without any support from the state. One of the latter sells ice cream from a well-known company that provides him with a cart and a uniform. He supports his family from sales commissions but gets no insurance or benefits. This is not an isolated case. In fact, there are a number of established companies that take advantage of street sellers through legal means. These companies achieve great savings in distribution costs and offer no protection to their informal sellers. From what we saw, not only do informal workers face difficulty negotiating with the formal sector but they also lack the protection, knowledge, and means to defend their rights.

If neither the state nor formal institutions provide basic social protection, it is unlikely that informal workers will trust other services such as banking or finance, since their experience indicates that these entities are not reliable. Moreover, as soon as banking and credit institutions ask them to bring forms and documents, informal workers lose hope and start looking for other options: game networks for remittances and payday loans for financing.

The complexity of current urban and state practices makes it worth considering services that (a) recognize informal workers as legitimate members of the community, (b) facilitate and simplify processes that require interacting with state and formal (state-like) entities, (c) improve the representation of informal workers in the community, and (d) promote offerings that better adjust to these workers' contexts.

Design Guidelines

Based on our research findings, we propose a set of concepts that, informed by the needs and values of informal workers, can serve as guidelines for designing and developing new applications that will promote financial inclusion. We have organized these concepts into four categories: access, creditworthiness, value, and reach.

Access

Leverage existing kiosks and points of sale as exchange nodes. For informal workers, especially street sellers, being able to easily exchange digital value and cash would be crucial for adopting mobile-money services. Since kiosks and shops usually collect money as part of their services, they would also be ideal places for cashing and receiving payments without having to visit a bank office. An additional benefit of this would be a reduction in the need for armored transportation, because kiosks and shops put the collected money back in circulation.

Offer multiple channels. In a context such as Colombia, a mobile phone is not a strictly personal device. Moreover, many users change numbers frequently because they buy preloaded SIM cards from whichever network offers the lowest price. These reasons, along with a high mobile phone theft rate, make it difficult to succeed through offering transaction services limited to mobile channels. There is room in the market for a provider that is willing to make services available through a variety of channels. Then, a user could choose to use whichever channel (mobile phone, kiosk, POS terminal) best suits his or her needs, according to the situation.

Offer a clear and transparent fee structure. Hidden costs, carrying fees, and multiple conditions can confuse and cause distrust among users. To promote the adoption of mobile-money services, the fee structure needs to allow easy recall, calculation and verification of charges. Furthermore, mobile payment and savings features should never be charged an additional fee because users would simply opt for cash.

Creditworthiness

Build a transaction history as an alternative to a credit history. Services should provide a summary report that groups and quantifies payments, purchases, and transfers without compromising the privacy of the user. Thus, people who lack a credit history could demonstrate economic or commercial relationships over time.

Minimize requirements to use services. Since remittance and credit services are core needs for informal workers, eligibility and affiliation become important issues. Therefore, transaction services should not be conditioned on having a bank account. For remittances, game networks only require senders and receivers to provide identification cards and contact information. Game networks only allow the sending of small amounts, thus eliminating the need to fill out forms for preventing money laundering and terrorism. Although mobile phones can serve as a transaction channel, it is important not to limit a service to a particular channel or a device. That way, users who do not feel comfortable using a mobile phone could still make transactions.

For credit services, the most important factor is to offer users alternate pathways to obtain a loan. Many informal workers do not have traditional assets, credit histories, or employment records, but they often have established relationships that demonstrate their income, spending habits, and commitment-to-pay obligations. For example, if a person has a public space permit, it means that they have spent years dedicated to an activity. It also means that they have developed economic relationships, kept an inventory, and managed expenses for a time period. It is unlikely that a street seller abandons a workplace to avoid paying a small loan since that place represents the only income source. Those who have not been able to get a permit may also have established relationships with providers, clients, and even formal businesses who can attest to the street seller's permanence at a location.

Privilege speed over amounts. Having immediate access to resources or benefits is key for people with scarce and irregular income. Unforeseen events, such as a serious illness or even a few days without good sales, create financial challenges that cannot wait for a week-long process at a credit institution to take its course. In such cases, speed becomes an eligibility issue. By focusing on smaller loans, financial services may be able to serve the needs of informal workers more quickly. Likewise, remittances of smaller amounts have fewer legal requirements and paperwork.

Value

Develop services based on short cycles. Nowadays, remittances are the most dynamic service offered by game networks. Nonetheless, for informal workers, access to small loans is their most critical need. In collaboration with microfinance institutions, it should be possible to offer short-cycle credit services that would be very useful to informal workers. Kiosks could facilitate both the disbursement and repaying of these loans. This option would provide many advantages over payday loans if the application process is simple enough. These services would address the critical needs of the poor that informal loans normally target.

Create out-of-sight saving opportunities. Even though informal workers do not find real benefits in banking accounts, they do set money aside and try to save small amounts to cover emergencies and unforeseen needs. A service or feature that allows users to set aside and save, for example, the change after a purchase, a reload, or part of a remittance can be a helpful alternative to a bank account. Instead of offering interest rates as banks do, this type of service can offer other incentives for reaching or keeping savings levels. While the users keep the value out of sight but ready to access and use, the network can count on those unforeseen future transactions.

Adapt payments to income cycles. To facilitate the payment of monthly obligations, a transaction network could offer advanced partial payments toward future monthly bills. It would work as a provisioning service. For example, a user could make small partial payments toward utilities or rent. By making provision for specific payments, users can get better control over cash and soften the economic impact when the bill arrives. Service providers could also use these provisions or advance payments as the basis for incentives and other rewards for positive behavior.

Serve user groups with shared services. Since most families manage income and expenses as a group, services should allow users to contribute, redistribute, and exchange value among members. As an example, a mother could use contributions recently made by her sons to pay the rent to the landlord. User groups could have some privileges over individual users such as larger loans and reduced costs per transferring value.

Reach

Legitimate informal workers' contribution to the community. Because cash transactions are not usually recorded or tracked, it is difficult to estimate and value the economic role of informal workers in a community. If street sellers' associations had more precise information, they could better articulate the guild's contribution, the number of families that depend on their activity, and the relationships with other industries that benefit from informal workers. A digital transactions network could provide information tools to guilds or associations that would help them to gain recognition from both the state and the private sector. In addition, these tools could enable the development of more targeted programs and also be used to measure the success of those initiatives over time.

Facilitate transactions for joint programs between the community, the state, and the private sector. Currently, inclusion programs are limited to providing public space permits and offering entrepreneurship credit, as long as informal workers have good credit reports and are willing to leave their places of work. These programs do not account for the informal workers' lack of means to manage entrepreneurial projects that could provide something more than a precarious income. Also, they do not take into consideration the families that depend on the street sellers' income. Instead of relocating sellers with individual projects, state programs should focus on promoting work opportunities with their families and the help from the private sector. Thus, initiatives could have a greater impact in the community and provide better work opportunities for the poor. As an example, hot-dog sellers could buy bread and ingredients from small suppliers owned or operated by street sellers' families. At the same time, private companies could help structure those suppliers' businesses as part of a social responsibility program. In collaboration with microfinance institutions, a transaction network could offer specific tools to manage and track transactions among members or their affiliated suppliers and sellers. The advantage of these services would be that they coordinate and facilitate transactions outside the formal banking system.

Guilds and associations have played a role in representing informal workers, but this has long been limited to mediating with the local government ("Dueños del desorden" 2012). These associations could play a significant role in promoting social and financial inclusion if they reached out to the private sector, especially those companies that have traditionally benefited by using informal workers as a distribution channel.

Final Thoughts

Game networks have challenged the traditional banking system in Colombia by using alternate channels to offer financial services to the poor. Despite the fact that remittances and payments are their main services, game networks are better positioned than banks to develop savings and credit services that fit the needs of informal workers. By developing alliances with microfinance institutions, game networks could create a complete range of financial and transaction services that are accessible via kiosks, POS terminals, and mobile phones.

Mobile-money services and digital transaction networks could make a significant contribution to financial inclusion in Colombia, as long as access is not limited to the use of mobile phones. Places where people can exchange money and get quick assistance with services are still the key to ensuring the wide adoption of services. If the regulatory environment becomes more conducive to mobile services, game networks could transform into digital transaction networks that could leverage mobile phone technology, kiosks, and POS terminals to facilitate transactions without depending on the banking sector.

Without a consistent follow-up from the state and appropriate regulations that foster financial inclusion, mobile-money services cannot be more, or less, inclusive than ATM machines. The dominant position of banks and telecommunication companies in the domestic market can negatively affect the development and availability of financial services to the poor. It is necessary to ensure that regulations allow multiple operators and service providers to compete and offer targeted services to specific groups, especially the poor, because they have a limited access to traditional banking and credit resources.

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NOTES

1. As Melgarejo does, we define perception as a means "by which human beings recognize, interpret, intercept and give meaning, judging and generating answers around feelings they get from a physical and social environment. Psychological processes, such as learning, memorizing and symbolizing also come into play here" (Melgarejo 1994: 48).
2. In a recent study about decent work, Alejandro Ordoñez, Colombia's attorney general, summarized the current situation with the following paragraph: "In Colombia, the persistent unemployment rates above 10%; the existence of an informal sector that generates around half the jobs; the discrimination of the job market against women, the young, people with disabilities, displacement victims, among others; the failure to meet labor standards; the abuse of figures such as those for cooperatives of associated workers; the low rates of union's participation; the precarious mechanisms for collective negotiation and the low proportion of affiliation to the social security system, reveal the high complexity of the problems associated to the job market, and make more evident the insufficient efforts the state has invested on overcoming them" (Ordóñez 2012: 16).

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