

Microfinance Workshop for UU Congregations

Designed by Michael J. Looft

This workshop is designed for congregations to explore specific topics and issues in microfinance. Led by a facilitator who may bring knowledge from the field of microfinance (though not imperative), the workshop should help participants gain a better understanding of how microfinance works and should also give them the opportunity to discuss issues in faith-based microfinance and microfinance in general. After discussing these issues, participants will have the opportunity to explore ways to become involved, both on a personal and a congregational level. Participants will also have the opportunity to create a task force that can help the rest of the congregation understand microfinance and how they can become involved from an institutional perspective.

Participants will require Inspired Microfinance: A Model for Faith Communities and Organizations, by Michael J. Looft. Please contact the UUA's International Resources Office – international@uua.org – for this resource.

Half-day Workshop Schedule	
9:00 – 9:05 AM	Opening
9:05 – 9:15	Personal Introductions
9:15 – 9:45	Facilitator Overview
9:45 – 11:45	Issues Discussion (30 minutes for each issue)
11:45 – 12:00	Coffee Break
12:00 – 12:45	Options Discussion
12:45 – 12:55	Task Force Formation
12:55 – 1:00	Closing

Please note that the above workshop schedule should serve merely as a guideline and can be modified to fit the needs of the congregation/participants. For example, the facilitator can revise the schedule to suit a weekly two-hour program – with the aim to discuss a single issue each week. Below is an example of a five-week schedule.

Five-Week Workshop Schedule – Week 1	
7:00 – 7:05 PM	Opening
7:05 – 7:15	Personal Introductions
7:15 – 7:45	Facilitator Overview
7:45 – 8:55	Discussion: Issue #1
8:55 – 9:00	Closing

Five-Week Workshop Schedule – Weeks 2-4	
7:00 – 7:05 PM	Opening
7:05 – 7:30	Check-In
7:35 – 8:55	Discussion: Issue #2-4
8:55 – 9:00	Closing

Five-Week Workshop Schedule – Week 5	
7:00 – 7:05 PM	Opening
7:05 – 7:30	Check-In
7:30 – 8:30	Options Discussion
8:30 – 8:55	Task Force Formation
8:55 – 9:00	Closing

Workshop Detail

Opening

Gather the participants into a circle, light a chalice or candle. Read the following quote from Muhammad Yunus:

The poor, once economically empowered, are the most determined fighters in the battle to solve the population problem, end illiteracy, and live healthier, better lives. When policy makers finally realize that the poor are their partners, rather than bystanders or enemies, we will progress much faster than we do today.

Personal Introductions

The facilitator should begin by introducing himself/herself and his/her background. Each participant will have the opportunity to introduce himself/herself and what prompted each of them to attend the workshop. Participants may want to provide a very brief summary of his/her work/congregational experience that might be relevant should the participants want to form a task force at the end of the workshop. Finally, each participant, including the facilitator, should be encouraged to share what they hope to gain from the workshop.

The facilitator may want to introduce a covenantal aspect of the workshop, particularly if they are meeting under a multi-day schedule. By developing a covenant, members agree that the purpose of the group is to discuss microfinance and that each member agrees to work together throughout the workshop. The facilitator will need to list participant suggestions on a white board or newsprint for everyone else to see, with the aim of writing a covenant. Here is a sample covenant:

We choose to be in a relationship with one another for our mutual growth and development. We agree to keep confidential personal sharing made within the group. We agree that we are willing to reexamine our own attitudes so that each person can gain a greater understanding of microfinance and the congregation's potential role in engaging in it.

Discuss this sample with participants, adapting it as needed, until the group accepts it as a covenant. Write the covenant down on a white board or newsprint and post it as a reminder.

Check-In (Multi-Day Schedule Only)

This time can be used for participants and the facilitator to update others on additional thoughts regarding the issue that was discussed the previous week. It can also be an open space for comments, suggestions, or criticism on the workshop content and progression.

Facilitator Overview

The facilitator will need to discuss the goal of the workshop, the remaining schedule of the workshop, and a brief overview of microfinance in lay terms. The stated goal of the workshop is to give participants a greater understanding of microfinance (essential aspects and current issues), with the aim of helping participants make informed choices on personal and congregational engagement in microfinance. Based on the facilitator's knowledge and experience of microfinance (and perhaps that of the participants), the brief overview should be flexible enough to give participants a solid understanding of its principles. By the end of the workshop, each participant should be able to explain the following:

- History of Microcredit
- Microcredit vs. Microfinance

Issues Discussion

Discuss the following issues as a group (Please note that not all issues need to be covered, particularly given time constraints in a half-day workshop, but the order of them is important to preserve continuity):

Issue #1: Charity vs. Giving for Sustainability

Background:

Please refer to Chapter 1 for background on the central issues of paternalism and enablement that stem from charity. Faith communities have a long history of charity, and in many cases this is an effective way of reaching out to people living on the margins of society. However, as a long-term strategy charity is fraught with problems for both parties. For recipients, charity might send a message that people are not obligated, or worse – trusted, to take the lead in making changes in their own lives. For givers, charity sometimes creates a paternalistic relationship that keeps recipients in a dependent state, and perhaps at the mercy of donors' wishes.

Of course, charity may have its place in a microfinance model that assumes that people will become self-sustaining and transform their lives. The Peer Client Support Program outlined in Chapter 8 assumes limited charity (3-5 year commitment) in giving support to those who are committed to collaboration as they pull themselves out of poverty. The following questions should help participants formulate a way in which they would like to relate to others in a microfinance setting that might involve a charitable aspect (These questions are repeated in a handout for participants at the end of this section).

Questions for Discussion:

- ❖ What are the problems associated with charitable giving?
- ❖ What possible problems can arise from eliminating charitable giving?
- ❖ Does charity have a place in microfinance? Under what conditions should faith communities engage in charity and when should they abandon it for more self-sustaining programs? Is there a balance?

Issue #2: Gender and Power

Background:

Microfinance touts its ability to empower women to succeed in places where they previously may have had little or no opportunity for such success. Introducing microfinance and other types of community development programs that attract women can challenge existing social structures often dominated by men. This can lead to alienation, community strife, and even violence. Chapter 5 covers some of these issues, and the following questions should help participants discuss gender and power forces that may help or hinder microfinance and other community development programs (These questions are repeated in a handout for participants at the end of this section).

Questions for Discussion:

- ❖ What are some of the problems associated with financial inclusion (particularly of women and others who may be marginalized in the community) with people of power (both institutional power and family power dynamics)?

- ❖ How can microfinance be instrumental in building social empowerment for change? Can it be?
- ❖ Should microfinance be targeted to certain segments of society or specific gender groups (data shows that women have higher savings and repayment rates)?
- ❖ Can the empowerment that microfinance programs provide serve as a public advocacy program? Should they?

Issue #3: Entrepreneurship

Background:

Chapter 6 covers some of the main issues surrounding entrepreneurship, competition, and credit. Many programs offer credit only programs, relying on borrowers to use the money strictly for business purposes. While this may be what some people need, it may leave others behind who might ultimately need other services such as savings support and livelihood training. Some organizations like Grameen have slowly evolved to include these other services. Along the spectrum of microfinance institutions, different organizations offer a wide variety of services to their clients – some of which are singularly focused (e.g. savings only). The following questions should help participants understand how they understand the different roles in an economy and who they would like to support (These questions are repeated in a handout for participants at the end of this section).

Questions for Discussion:

- ❖ Can you explain the following different roles in an economy: Entrepreneur, Manager, and Technician? Are there others that you can think of? Do people strictly fall into only one category in terms of personality and career direction?
- ❖ How can microfinance programs be designed to help support different actors within an economy?
- ❖ Is credit for everyone? Savings? Livelihood training? What other services might a microfinance program offer?
- ❖ What are the possible benefits to offering holistic services and what might a program look like that addresses many, if not most of a community's needs?

Issue #4: Clarity of Mission

Background:

Chapter 3 covers some of the issues surrounding clarity of mission. If microfinance institutions follow a double-bottom line (both profit and social maximization), some events such as natural disasters that affect the ability of clients to pay back loans will test this double-bottom line. Any organization that tries to straddle a double-bottom line will need to know beforehand which line takes primacy. The following questions should help participants determine where they stand on this critical issue. The questions should also help them understand what role they and the organization can play in offering microfinance to poor communities (These questions are repeated in a handout for participants at the end of this section).

Questions for Discussion:

- ❖ Does microfinance align with your values and/or those of the congregation? How? How might it not?
- ❖ What role should investors/donors play in expectations of accountability? What should they do if a natural disaster wipes out the potential income of clients?
- ❖ What role should faith play both in terms of program design and operations on the ground?

Coffee Break

This would be an ideal time for participants to have space to digest what they have discussed. The facilitator should remind participants that when they return from break, they will be discussing possible options for going forward so that participants can begin thinking about next steps.

Options Discussion

Participants should begin thinking about what level of commitment they would like to have in microfinance. In exploring possibilities, below is a non-exhaustive list of different options available to them (These options are repeated in a handout for participants at the end of this section).

1. Contact the author (looft@post.harvard.edu) for resources such as books and materials for further information on microfinance specifics
2. Make a donation to an existing microfinance institution
3. Volunteer/work for an existing microfinance institution
4. Attend one of the many microfinance conferences held throughout the year by various institutions (e.g. CGAP, Tufts University)
5. Organize or participate in an congregational task force to engage in microfinance
6. Encourage the congregational leadership to take an active role in supporting new/existing microfinance initiatives
7. Contact others within the denomination who might have existing microfinance programs or might be interested in creating one (contact Eric Cherry at the UUA: echerry@uua.org for more information)
8. Agree to facilitate a microfinance congregational workshop at another congregation
9. Invite representatives from existing microfinance institutions to discuss their work with members of the congregation
10. Contact the author for a congregational visit to discuss his work in microfinance and to help the congregation create an action plan for their own work

Task Force Formation

If some or all of the participants believe that going forward they would like to form a group that might engage in microfinance, they can agree to meet regularly to develop and implement an action plan. This action plan will most likely reflect the level of engagement worked out in the previous exercise.

Closing

Gather the participants into a circle, and invite each one to share one hope they have concerning community development and microfinance. Start with a volunteer, and then go around the circle. When each participant has shared something, ask the group to spend a few moments in silence to reflect on the hopes that have been expressed. Then read the following quote by Emma Goldman:

Some day, men and women will rise, they will reach the mountain peak, they will meet big and strong and free, ready to receive, to partake, and to bask in the golden rays of love. What fancy, what imagination, what poetic genius can foresee the potentialities of such a force in the life of men and women

Extinguish the chalice.

Handout – Issue #1: Charity vs. Giving for Sustainability

Questions for Discussion:

- ❖ What are the problems associated with charitable giving?
- ❖ What possible problems can arise from eliminating charitable giving?
- ❖ Does charity have a place in microfinance? Under what conditions should faith communities engage in charity and when should they abandon it for more self-sustaining programs? Is there a balance?

Handout – Issue #2: Gender and Power

Questions for Discussion:

- ❖ What are some of the problems associated with financial inclusion (particularly of women and others who may be marginalized) with people of power (both institutional power and family power dynamics)?
- ❖ How can microfinance be instrumental in building social empowerment for change? Can it be?
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Handout – Issue #4: Clarity of Mission

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- ❖ What role should faith play both in terms of program design and operations on the ground?

Handout – Options Going Forward

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3. Volunteer/work for an existing microfinance institution
4. Attend one of the many microfinance conferences held throughout the year by various institutions (e.g. CGAP, Tufts University)
5. Organize or participate in an congregational task force to engage in microfinance
6. Encourage the congregational leadership to take an active role in supporting new/existing microfinance initiatives
7. Contact others within the denomination who might have existing microfinance programs or might be interested in creating one (contact Eric Cherry at the UUA: echerry@uua.org for more information)
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10. Contact the author for a congregation visit to discuss his work in microfinance and to help the congregational create an action plan for their own work

Handout – Additional Microfinance Institutions

The following is a list of useful links to some organizations engaging in microfinance work.

Sewa Bank - <http://www.sewabank.com/>

Grameen Bank - <http://www.grameen-info.org/>

FINCA - <http://www.villagebanking.org>

Coady International Institute - <http://www.coady.stfx.ca/>

Unitus - <http://www.unitus.com/>

Opportunity International - <http://www.opportunity.org/>

Kiva – <http://www.kiva.org>

Pro Mujer – <http://www.promujer.org>

Accion – <http://www.accion.org>