

Bus. Mgt. 490R: Microfinance ... Winter Semester

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Office Hours: 3:00 p.m. Tuesdays or by appointment (568 TNRB)

“Each microloan is a voyage of self-discovery. All human beings have unlimited potential. These little monies give women an opportunity to discover their self-worth.”

—Muhammad Yunus, Grameen Bank, 2006 Nobel Peace Prize Laureate

Introduction

The thrust of this Microfinance course is to become aware of international development paradigms, and to learn the best methods for establishing Microfinance programs as catalysts for truly changing the world. We will seek to generate an activist class culture so as to transform the planet, not just analyze it.

After the horrific events of September 11, 2001, the devastation of the 12/26/04 Asian tsunami, the misguided war in Iraq, the ongoing crisis in Darfur, the Haiti earthquake of 2010, civil conflicts in Syria over the last year) and Somalia (in the last decade), the scourge of HIV-AIDS globally, and continuous struggles of the world’s poor, there is a greater need than ever to develop new, more creative strategies for enabling them to become self-reliant. Microfinance holds much promise for doing exactly this. This is a course that empowers students in designing programs/projects to create a better quality of life for those who suffer. We will engage in efforts that are participatory and that maximize the human dignity of the poor. Our long-term objective is to build sustainable, on-going Microfinance Institutions (MFIs), not a quick fix. By integrating LDS temporal and spiritual teachings, combined with MFI concepts and students’ passions, we will accelerate and further mobilize our movement against oppressive institutions, and policies and work toward social justice and peace.

This course’s purpose is to not only enlarge our awareness and understanding of human suffering through a variety of pragmatic and conceptual perspectives, but to learn how Four Micro-Solutions may be utilized: Microcredit, Microentrepreneurship, Microenterprise, and Microfranchise.

References will be made about the context for doing Microfinance and socio-economic development— jobs and justice, community building, humanitarian service, education, and gender equity. The soul of service and stewardship ideals of Microfinance will be pursued as paths to creating more effective and moral solutions to global problems. In short, we will labor

to create and implement new paradigms for combating poverty, building family self-reliance, and establishing a better world.

Global development through Microfinance approaches ranges from the level of the individual (Kiva) to the family (Mentors International), the group (Yehu), the village or city (Ouelessebougou Alliance), and finally to whole societies (SKS), regions and/or nations (Grameen). We will explore various tools for creating, managing and influencing MFIs and other NGOs since in many cases Microfinance tools need to be combined with appropriate other interventions such as business training, healthcare, ecological development, women's empowerment, worker-owned cooperatives, etc. We will become better equipped to assess the needs of the poor, design effective Microfinance approaches, and implement such strategies. We will also explore how MFIs have evolved historically and currently function, as well as learn how they can be restructured in the future—a pro-active approach that transforms today's problems for a better tomorrow.

OB 432 Microfinance also reflects the increasing connections between haves and have-nots in contemporary society. It is designed to help participants understand and analyze core theories of successful microentrepreneurship. Your own ideas, newly acquired notions from readings, and your experience in various local, U.S., and international settings will all be brought to bear in enriching this experience.

The following are objectives:

- To transform the contemporary world.*
- To learn Microfinance so as to foster reforms through new global and ethical strategies.*
- To increase our awareness of the assumptions and values of economic self-reliance.*
- To develop new conceptual frameworks about Muhammad Yunus' social business ideals.*

We will build on the Marriott School's call for "world class" learning approaches that will help to build three "signature strengths in our courses and programs:" 1) A "pioneering and innovative spirit;" 2) An increase in "ethical values;" and corporate "social responsibilities;" 3) Enhancing students' "international experience and understanding." Accordingly, these are to be the unique commitments that we should "devote ourselves to....They are core to our identity and our mission." In short, our objective is to do a better job of "helping our students influence the world for good." In this course, we will emphasize doing good locally and globally through Microfinance methodologies.

Class Work

This course will use a combination of educational methods: lectures, cases, experiential exercises, films and small group work. The use of this mixed methodology rests on the premise that learning comes not only from reading and writing, but also from interaction and careful reflection. Efforts in the classroom will center on becoming bilingual as we learn to speak of both the sacred and the secular in addressing poverty problems and Microfinance solutions.

Participants

Presently, this course is open to graduate and undergraduate students from any field who are interested in learning about Microfinance, including those seeking internships and/or employment with MFIs, NGOs, and development organizations such as the United Nations, LDS humanitarian organizations, and USAID.

The thrust of this course as OB 432 is to help students gain a basic understanding of the major approaches to Microfinance that have guided its development, as well as provide an assessment of both successes and failures and their causes. Similarly, a goal is to enable students to gain an analytic as well as a practical perspective on the complexities of doing Microfinance development work across the broad range of fields that are involved in this area including agriculture, economic development, social capital, and so on. The required reading assignments for this course are chosen with the specific intention of accomplishing these purposes.

Required Reading Materials

All readings for this course will be posted on Learning Suite several days before the class meeting time. This will become an organic process as we travel the path of Microfinance this semester, adjusting in the coming weeks, learning from guest presenters, films, and cases, discovering the latest innovations occurring today. You may access the files for either reading online or printing hard copies for you to underline, make notes, and further digest.

Related Supplementary Sources.

Below are a few suggested books for those seeking a more comprehensive understanding of Microfinance and the context of poverty and human suffering.

1. Muhammad Yunus. 2003. *Banker to the Poor: Micro-Lending and the Battle Against World Poverty*. New York: Public Affairs.
2. *Human Development Report*. 2011. New York, NY: UNDP.
3. Warner Woodworth. 2001. *Small Really is Beautiful: Micro Approaches to Third World Development – Microentrepreneurship, Microenterprise, and Microfinance*. Third World Think Tank.
4. Erik Assadourian. 2012. *State of the World*. Washington, D.C.: Worldwatch.
5. C. K. Prahalad. 2005. *The Fortune at the Bottom of the Pyramid*. Upper Saddle River, NJ: Wharton School Pub.
6. Jeffrey Sachs. 2005. *The End of Poverty*. New York: Penguin Press.
7. Muhammad Yunus. 2010. *Creating a World Without Poverty: Social Business and the Future of Capitalism*. New York: Public Affairs.

Expectations

- a) *Participation*—attending class sessions and being accountable for readings, presentations and the acquisition of practical skills. Hopefully we can create an atmosphere for the free exchange of ideas, not just lectures. Do not be reluctant to speak out. If students push themselves to be mentally engaged, the experience will be more rewarding for all. This does not preclude disagreement or argument with the ideas or opinions of others. Indeed,

a healthy intellectual environment necessitates debate and differing views. Multiple voices are needed and we should each work hard to enhance the dignity of other individuals even as we take issue with their position. All of us at BYU need to better learn to discuss and confront in fun and healthy exchanges rather than simply conform.

- b) *Integrity*—careful adherence to the Honor Code in your personal and academic life. Each member of the BYU community ought to reference the Honor Code in determining what constitutes moral/ethical behavior. There is an assumption on my part that students will honor the commitment they have made to live an ethical life. The Code defines the standards of personal honesty and integrity in one’s role as a student or faculty member at BYU. I would suggest that you reread the Code carefully and analyze your degree of adherence to its principles. For this class I want to emphasize several specifics: 1) that there is no deception in your representation of who you are and what you do; 2) that other students are treated appropriately regardless of race, gender, nationality or religion.
- c) *Citizenship*—not engaging in unnecessary conversation, cell phone use, computer games, or other distractions which disrupt the class. Please be courteous and supportive of the rights of others to learn in a constructive educational environment.
- d) *Use of Technology in the Classroom*—Instead of computers, we will utilize personal pen and paper note taking in the classroom in order to enhance the participation and focus of all students. The results will be deeper discussions, better skills in the application of OB concepts, and enhanced learning for everyone. At times, the use of computers will be necessary, but typically, they will not be on during class sessions.
- e) *Purposes*—BYU’s mission is “to assist individuals in their quest for perfection and eternal life” in a “setting where a commitment to excellence is expected and the full realization of human potential is pursued.” In doing this effectively we will strengthen our “influence in a world we wish to improve.” By learning new skills, integrating gospel principles with the best theories of business and social science, we will expand our capacities for lifelong service to others.

Grading

Grading in this course will be based upon three factors.

1. Participation/Reading/Thought Papers/Quizzes

I would like you to make a diligent effort every week to be prepared for class by reading all of the assignments on the “Reading Schedule” completely, and with considerable thought and care. In order for this course to maximize learning, your active participation is essential. However, active participation does not mean just coming to class and depending simply on spontaneity without any prior thought or preparation. Occasional short pop quizzes or brief thought papers or writing assignments will be used to ensure students have done the readings and that they bring substantive contributions to class. In addition to being fully prepared for course discussions, it is also important to make every

effort possible to attend *all* of the classes. Attendance is a necessary key to complete involvement.

2. *MFI Service Learning/Research/Writing Project*

To enrich the course experience we will work in teams to gain hands-on microfinance experience. There will be two paths to doing so:

- a) The first may be to operate as consultants to assess and/or strengthen the social architecture of existing MFIs. This will enable students to understand the nexus of socio-economic improvement and family well-being, and in the process, it will empower you as genuine poverty problem-solvers. Furthermore, the MFI itself will benefit from your analysis and critique. Projects to which we may apply our conceptual skills will be identified, and groups will form to address their history, founding, evolution, structure, programs, clients, systems, key players, and outcomes. Resources to be utilized may include interviews, web pages, news coverage, past data collected by the MFI or a third party, etc. Utilizing various tools, writing a report and critique with recommendations, and performing services, as well as analyzing and reflecting on this experience will all lead to a polished document on which to be graded.
- b) As an alternative, some class members typically seek to design and prepare to launch their own Microfinance project. Maybe this derives from a desire to return to one's mission field to help poor Latter-day Saints there. Perhaps it occurs because an international student hopes to return home and improve lives of the poor in one's native country. Historically, some new projects from this class grew as a response to a natural disaster. There may be a variety of Microfinance start-up objectives. If so desired, such a project will be graded with the same weight as other class members' consulting with an existing MFI or NGO.

3. *Final Exam Options*

At the end of the semester, our learning will be integrated through your project presentations as an oral final examination presented to the class, in addition to being written up as a deliverable. Such a process will give a student the opportunity to demonstrate thoughtful use of key concepts and tools in actual Microfinance cases. Either of these two experiences will enable you to appreciate the complexities of designing and strategizing about the implementation of your own solutions to real-world problems. Written memos/reports will be submitted for final evaluation purposes.

Point Allocations:

30 percent.....	Class Participation
20 percent.....	Occasional Short Thought Papers &/or Quizzes Based on Readings
50 percent.....	Service Learning Project

Policies

Preventing Sexual Harassment

Title IX of the Education Amendments of 1972 prohibits sex discrimination against any participant in an education program or activity that receives federal funds. I was the first BYU professor to support this much-needed law and continue to do so because it is essential to eliminate sex discrimination in education. Title IX covers discrimination in programs, admissions, activities, and student-to-student sexual harassment. BYU's policy against sexual harassment extends not only to employees of the University, but to students as well. If you encounter unlawful sexual harassment or gender-based discrimination, please talk to me, or contact the Equal Employment Office at 422-5895 or 367-5689 (24-hours). Or you can contact the Honor Code Office at 422-2847.

Students with Disabilities

Brigham Young University is committed to providing a working and learning atmosphere that reasonably accommodates qualified persons with disabilities, and I concur with this goal. If you have any disability that may impair your ability to complete this course successfully, please let me know and contact the University Accessibility Center (422-2767). Reasonable academic accommodations are reviewed for all students who have qualified documented disabilities. Services are coordinated with the student and instructor by the UAC. If you need assistance, or if you feel you have been unlawfully discriminated against on the basis of disability, you may seek resolution through established grievance policy and procedures. You may contact the Equal Employment Office at 422-5895, D-282 ASB.

Diversity

For three decades, I've labored to increase the presence on campus of more minority and international students. Over the past several years, teams of my students have helped launch a new Diversity Initiative in the Marriott School. It includes not only recruiting a greater mix of students, but dealing with cultural awareness and sensitivity to differences and people. Hence, diversity topics will flavor the dialogue in selected class discussions. While the overall goal of this program so far is to help BYU students become more effective in an increasingly diverse workforce, I emphasize these issues in my courses because it is moral. Diversity is not merely a business tool, but a key element for achieving a society based on socio-economic justice. If you feel a discriminatory offense from me or anyone in the class, I strongly encourage you to discuss this matter with me personally.

Academic Honesty/Cheating

The first injunction of the BYU Honor Code is the call to "be honest." Students come to the university not only to improve their minds, gain knowledge, and develop skills that will assist them in their life's work, but also to build character. President David O. McKay taught that "character is the highest aim of education." It is the purpose of the BYU Academic Honesty Policy to assist in fulfilling that aim. BYU students should seek to be totally honest in their dealings with others. They should complete their own work and be evaluated based upon that work. They should avoid academic dishonesty and misconduct in all its forms, including but not limited to plagiarism, fabrication or falsification, cheating, and other academic misconduct. Students should collaborate and help one another. But all work completed should be your own, or that of your team. Do not use papers, tests, etc. from prior classes to help you prepare for

exams, projects, or papers. This applies to internet materials also. Do not share test or quiz questions and answers with other students. If you have any questions please see me.

Cell Phones

Brigham Young University and I are committed to providing a high-quality learning environment for this class. Distractions, particularly cell phones, impose a cost to our learning. If your cell phone goes off during class, as payment for that cost to the class, you will buy doughnuts for everyone at the next session. Please, either don't bring your cell phone to class, or make sure it is turned off.

A Call to Action

“You must be the change you wish to see in the world.”
-- Mahatma Gandhi

I look forward to working with each of you this semester. This OB 432 Microfinance course won't be yet another traditional college course. It is not going to simply cover in a casual way a set of reading materials. Nor will it only consist of superficial class discussions. The overall result of this course, if you and I succeed, will be a life-changing experience. We will learn how to link ideology with practice, so it becomes *praxis*. We will develop new mind-sets. We will integrate Microfinance values with our personal, career and family lives.

The thrust of this experience is to find our passion, to “dream dreams” and “see visions.” We will strive to become life-long change agents in the struggle to transform the world. Winter Semester 2013 won't merely become the gaining of another set of academic credits. Rather, it will become the time when you joined a worldwide movement, a global crusade to combat poverty and human suffering through Microfinance.

Building on the Prophet Joseph Smith's legacy, let us commemorate and honor him with our actions. Let's be doers of the Prophet's teachings, not hearers only. OB 432 will be the time in your life when you increasingly experience his expanded global vision of stewardship and consecration when he declared: “*A man filled with the love of God is not content with, blessing his family alone, but ranges through the whole world, anxious to bless the whole human race.*”

CARPE DIEM!

