COLLEGE/UNIVERSITY PARTNERSHIPS WITH MICROCREDIT FUNDERS:  
A SOCIAL ENTREPRENEURIAL WORKSHOP ON FIGHTING POVERTY

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ACADEMIC ABSTRACT

The Global Entrepreneurial Revolution of the next decade is the scaling of microcredit to reach  
the 1 ½ billion people world wide living on below US $1 a day or the 3 billion living at below $2  
a day. Large foundations are looking to become “big players” in the microcredit arena. It is  
proposed that colleges and universities in the U.S. and the world network, affiliate, and partner to  
also become “big players” in microcredit, a move that would embrace service learning,  
experiential learning, modeling economic self-reliance and using fighting poverty as a social  
entrepreneurial learning methodology.

EXECUTIVE SUMMARY

The role of microcredit as a tool for poverty reduction is now acknowledged and established by  
Muhammad Yunus winning the Nobel Peace Prize in 2006 for his work with the Grameen Trust  
and the Grameen Bank. Funds for microlending are available from large foundations and trusts  
such as the Gates Foundation, Unitus, Christian Relief Services, Accion et al who desire to  
develop a large presence in the field. Colleges and universities in the U.S. and overseas  
partnering and entering the microcredit field will enhance service learning and experiential  
learning, and create new opportunities to use fighting poverty as a social entrepreneurial learning methodology. This cross-campus, cross-disciplinary approach involves partnerships, internships, creation of new technology and communication networks, and a great deal of creativity and problem solving while allowing students to use their educational experiences to do good and help solve a huge worldwide problem affecting billions of people.

Three models are explored: the SIFE (Students in Free Enterprise) program at Western Kentucky University that has team members in Kenya developing a marketing opportunity for locally woven baskets; the multi-faceted program at Brigham Young University developing a universal Economic Self-Reliance Model; and the SBI (Small Business Institute) program at Seattle University that has partnered with an NGO in starting a microcredit program in Ghana and has plans to roll out an “adopt a village” model for colleges and universities to start their own microcredit programs in underserved villages under the radar of the current microlenders.

This opens up a nascent area for academic research; how to grow microcredit/ microenterprise programs so that they provide significant numbers of jobs and how to use triple bottom line/sustainability guidelines from the beginning of the microenterprise.
MODELS

1. Brigham Young University

- *Guatemala Microlending* – Four BYU students worked with an indigenous women’s rural organization, MUDE, to expand their effectiveness in lifting the poor, and also working with Mentores Empresariales in Guatemala City.
- *Grameen Foundation USA* – Seven BYU student interns worked for the U.S. arm of the Grameen Bank, while another 3 interned at the bank in Bangladesh, which originated microcredit around the globe.
- *Bulgarian Cooperative* – Three students evaluated an industrial cooperative, Nachala, owned by its workers; also assessing the feasibility of launching a microcredit program in the capital city, Sophia.
- *USA– Working Capital* – Three graduate student interns with Working Capital, Inc. helped to establish microlending resources for poor people, mostly immigrants from the Caribbean, in Florida. Another student spent a summer working with Accion in New York City, and another with Katalysis in California.
- *Navajo Nation* – One business student worked on the Navajo reservation to help establish an effective microlending program for poor Native Americans.
- *Chasqui Humanitarian Foundation of the Andes* – Eight BYU students doing Third World development in rural villages of Peru where thousands of indigenous people suffer. Programs include health, literacy, agriculture, microenterprises, etc. It has now expanded to Bolivia where 2 more BYU interns served.
- *Unitus* – Three students received internships to work with Unitus in designing a strategy for accelerating microcredit. Current efforts are focused in Mexico and India with over 40,000 micro-entrepreneurs.
- *SOAR China* – Twelve social entrepreneurs evaluated two microcredit programs in Guangxi and Yunnan Provinces, and a team conducted micro-entrepreneurship training in cooperation with the Sichuan Provincial Women’s Federation).
- *New Generation Foundation* – Two students designed and implemented a strategic plan to empower the poor of southern Brazil including microenterprise, square foot gardening, literacy, family counseling, etc.
- *South Pacific Business Development Foundation* – Four students assisted the microfinance organization in Samoa by building a data base and upgrading SPBD’s training materials.

2. Seattle University

- *WomensTrust Women’s Center* – Ofankor, Ghana. Collaboration between Seattle University Small Business Institute and WomensTrust Inc. to develop local microlending program in Ofankor, Ghana.
- *Women’s Center Kenya* – Microlending program in Kenya under development. (See Above)
- *WomensTrust* – Seattle University students working with WomensTrust in microlending program in Pokuase, Ghana
3. Western Kentucky University

- Biology Department established a relationship with the University of Nairobi for a research initiative
- Biology researchers brought back souvenirs from Kenya initially expanding the volume and sales over three years to give back economic assistance as appreciation for research cooperation by the Kenyans
- Elephants wiped out crops and economic assistance became more vital
- Biology Department brought in the Students in Free Enterprise (SIFE) team to expand sales and market development in Kenya and at home
- SIFE sent their President to Kenya to develop a cooperative among several Kenyan villages to expand regional economic development
- Kenyan Cooperative together with SIFE establish quality and design standards
- New laptop case meeting “Green” standards is a resulting product of collaborative design efforts
- Funds managed by SIFE, but 100% distributed back to the Kenyan Cooperation

CONCLUSIONS AND IMPLICATIONS

1. Microcredit has efficacy in reducing poverty.
2. Characteristics that affect the chances of microcredit borrowers achieving self-reliance and self-sufficiency can be isolated.
3. Using sustainability guidelines from project inception will provide greater efficacy in the development of microcredit models through doing less harm to the environment.
4. Student learning is enhanced through the introduction of microfinance studies into the curriculum.
5. Developing effective microcredit networks across disciplines and campuses is both feasible and essential to attracting the interest of funders, fighting poverty, and the training of future social entrepreneurs.
6. Collaborative efforts across multiple Kenyan villages in the establishment of a cooperative to mutually share economic development has been successful.
7. The engagement of student teams such as SIFE in the development of international programs provides substantial human resource power.
8. Multiple goals of international economic development in areas of poverty and humanistic altruism can be achieved through collaboration.

“SO WHAT?”

This workshop will shed light on the learning opportunities for students afforded by the establishment of microcredit programs/partnerships, the efficacy of microcredit as a poverty fighting tool, and various research approaches to measure program effectiveness and the qualities that maximize success in individuals, families, and communities undertaking microcredit and poverty fighting programs.