A Story of a Savings Group: What we can Learn from Them

Cooperative Innovation Session Mount St. Vincent University Nanci Lee November 23,2012



First, attendance and by-laws



Then, enforce the rules



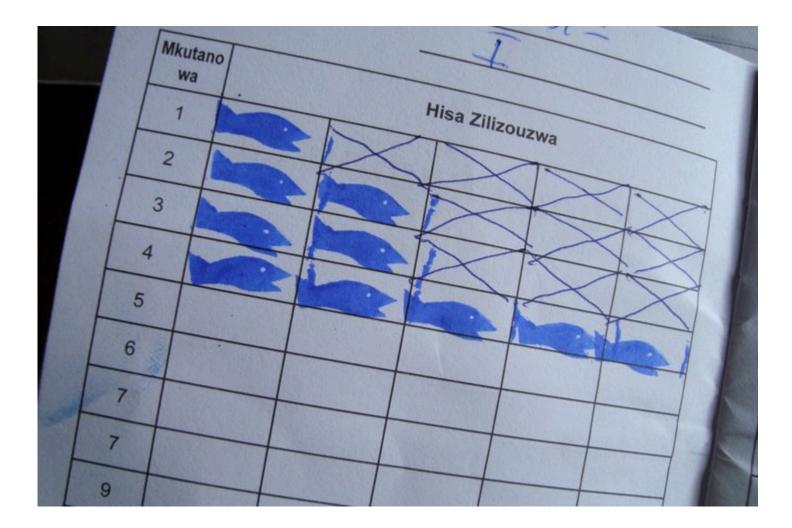
Members contribute to the social fund



Each member saves according to their capacity



Keep books that members can handle



Ground in community ownership



Manage risks with transparency



What is Community-Based Microfinance?

- Member capital
 - Profits to members
 - Savings. Focus on building income but particularly assets and equity
 - Access where there is very little
- Member control
 - Ownership, decision-making, governance
 - Capacity of members to make informed decisions

Innovative in Any Context

Both the results....

- Enormous scale and outreach
- Access in remote, rural areas
- Higher returns on assets
- Higher savings to loans ratio

and the process....

- Hot money is internal funds (members' own savings and shares).
- Studies and experience show that members safeguard own money more than external funds (cold money)
- Relationship between hot and cold money is critical for social cohesion and business model

Some Developments to Watch

- Group accounts through mobile banking
- Savings groups linked to banks
- Producer associations and linking to markets
- Savings groups as a base for social programs such as mosquito nets, solar lamps, literacy, HIV-Aids programs
- Oral bookkeeping

Thank you

- <u>http://thesavix.org/projects/search</u>
- <u>www.microfinancegateway.org</u>
- <u>http://coady.stfx.ca/education/</u>
- <u>nancilee@eastlink.ca</u>
- www.nancilee.ca