

ECONOMIC EMPOWERMENT WORKSHOP - NAIROBI

September
2012

OUTLINE OF THE PROGRAMME

Monday - Devotions led by
Dennis Tongoi – Executive
Director of CMS

Welcome. Most Revd Eluid
Wabukala

Opening keynote addresses
Dr James Mwangi CEO Equi-
uity Bank Ltd

Mr Charles Abugre: Africa
Director, UN Millennium
Campaign office

Prof Elishiba Kimani – Ken-
yatta University Nairobi

**Theology of economic em-
powerment** - Paolo Ueti

Tuesday

Plenary presentations

Models of access to finance
– Ruth Stewart, Re-
searcher, London University
Ms Anne Mbaabu from the
Alliance for Green Revolu-
tion in Africa

Michael Roy – Anglican
Alliance Asia facilitator

Regional case studies from
Africa, Latin America, Bang-
ladesh and the Philippines

Breakout sessions with
regional facilitators

**Display of Anglican Alliance
programmes**

**Theology of Economic Em-
powerment**

Wednesday

Micro Insurance, Presenta-
tion by Japhat Macau for
Anglican Health Network

**Visit to Women's Bank in
Kiambu**

Thursday

**Plenary discussion of site
visit**

**Plenary panel discussion
led by Humphrey Norrington**

Participants report-back
their future action plans.

**Agreement of outcomes
document**

Closing Eucharist

Economic empowerment as a key mission of the Church

Archbishops Eliud Wabukala of Kenya and Albert Chama of Central Africa opened the Alliance's economic empowerment workshop.

The workshop brought together Anglicans from across Africa, Asia and Latin America to look at how access to finance can provide pathways out of poverty.

Archbishop Eliud Wabukala identified economic empowerment as a key mission of the Church and welcomed the talent and experience the workshop brought to Nairobi.

Archbishop Albert Chama described the Anglican Church as an agent for social change, and made a commitment that the workshop outcomes would be implemented

Canon Grace Kaiso, General Secretary of the Council of Anglican Provinces in Africa, read out a message of support from Bishop Paul Sarker, the moderator of the Church of Bangladesh.

The keynote speech at the workshop opening came from Dr James Mwangi, Chief Executive of Equity Bank, and recognised as a world



leader in extending access to banking services. He spoke of the injustices experienced by people who had no access to financial services. Until all people had a place at the table where resources were allocated, there was no chance of establishing equality in society.

He also talked about the extraordinary growth of Equity Bank, based on the business innovation, including the development of mobile banks, and use of mobile phone technology.

Dr Mwangi paid tribute to the transformative role of the church, of which he is an active member, and offered to partner with us.

Charles Abugre, Africa

director of the UN Millennium Campaign Office spoke about the increasing inequality in society. He emphasised the need for the prophetic voice of the Church to speak out for the poor.

Poor people often used access to finance to buy from the private sector services that should be provided by the public sector – especially health services, education and water.

The third keynote presentation came from Professor Elishiba Kimani, of Kenyatta University.. Her presentation, along with recordings of other keynote speakers are available on the Alliance website.

Workshop objectives

We asked people in advance what they wanted to achieve at the workshop. They said they wanted to:

- Be empowered
- Learn about good management
- Share experiences, skills and perspectives
- Learn how to plan and develop communities
- Build networks
- Discuss how women can overcome their underdevelopment and their husband's economic dominance and generate their own income
- Learn how to get access to loans
- Discuss cooperativism
- Learn how to serve our communities better
- Learn better fund management
- Discuss how to attract men into literacy and micro finance groups
- Develop access to viable and sustainable financing mechanisms

And the skills and experiences they brought included working in:

- Banks, micro finance programmes, loans, saving schemes and co-operatives.
- Women's empowerment
- Food security, farming, food processing, marketing.
- Communities, especially the vulnerable
- Companies, consultancies and funding organisations
- Education, literacy programmes, training and capacity building.

POVERTY HITS WOMEN HARDEST - PROFESSOR ELLISHIBA KIMANI

Women bear the brunt of poverty, Prof Elishiba Kimani told the workshop.

In a powerful presentation on the impact of poverty, she linked child labour to women's poverty, and spoke especially about the burden of poverty on rural women. And she described the increase of the burden as a result of climate change that meant women had further to walk for water and firewood.

But, she said, ends are not about shifting the problem to another person. Empowering women was not about disempowering others.

She also talked about strategies to provide a way forward including, access



for women to savings and credit, education, legal rights and decision-making. She described the success that advocacy for women's rights had achieved, and

pressed for a stronger voice for women in policy-making, especially in economic policies.

Above: Prof Elishiba Kimani

DAY 1 - PLENARY DISCUSSION

Challenges in increasing access to finance for poor people were at the heart of the plenary discussion after the opening keynote speeches and regional breakout sessions.

People discussed the experience of different countries, and how poor people could protect themselves from sharp practice and banking failures. They noted that if people did not get access to mainstream or reliable micro-finance banking services, they would turn to moneylenders with their high interest rates that drove people further into poverty.

They spoke about the skills shortages in the

church, and the need for the church to make use of professional expertise.

Some said that years of development work had not made the breakthrough in providing economic empowerment for the very poor. Strategies for economic empowerment provided a more sustainable way for people to lift themselves out of poverty and to tackle inequalities.

There were major financial challenges in accessing education, one of the basic services required to overcome poverty. A lot of people on marginal incomes spent a large part of the family budget on their children's schooling

People discussed who they should be targeting for

access to finance. They differentiated between poor communities and those with people who "spark" change, between the poor and the "active" poor.

Some participants said that there should be advocacy to get governments to use their purchasing power to buy from local communities, instead of buying imported goods and services.

The meeting also heard about the impact of the drugs industry in Latin American countries.

And they discussed the role of early missionaries, whether they had created dependency, and the need to break dependency culture.

KEY FACTORS THAT PUT PEOPLE AT RISK OF POVERTY - REPORT FROM PAULO UETI

The group took an overview on what we've been doing and why and how we've been developing the projects we shared during the workshop.

Our group was formed by Honduras, Colombia, Mozambique and Brazil, based on shared language and regional connections. The first task was to identify who are the most affected by poverty and exploitation in our context. It's been said the women, especially single mothers who are usually unemployed and have less access or no access to the formal (even informal) market to get money for survive.

In Latin America the context of indigenous people is important to take in count in our discussions and planning. The elderly, children and people living with HIV/AIDS suffer extreme poverty and exclusion in most of our countries. Excepting Brazil there are no proper public policies to treat people living with HIV/AIDS for instance.

Indigenous people have their lands grabbed by the landowners or by the government.

In some areas, like

Colombia, guerrilla activity is an important factor keeping people in poverty. The violence endured by people in this context is oppressive. Women, children and elders are displaced from their land under the pressure of civil war. Women see their husbands killed and then find themselves abandoned by society. The drugs business can be more profitable than agriculture, as people lease land to the drug cartels, often with no other choice.

We also identified some factors that keep people in poverty, in particular:

Political factors:

The policy of some governments is to prioritise production of commodities other than food, such as: production of zinc, gas, aluminium, minerals, etc.

Local government has food security but does not have the capacity to distribute it nationally.

Economic factors:

Inequality is increasing more than poverty. The gap between the rich and poor is getting wider.

People living in poverty or with very low incomes do not have the financial



resources or credit sources to start their own small business

Social factors:

Lack job opportunities especially for single mothers

People living with HIV, and people who are illiterate are affected by poverty.

The lack of real democracy increases poverty as do unfair concentrations of resources such as land or technology.

The churches have an important role to change this situation by making alliances with other institutions to provide micro-loans to people affected by poverty, and especially to women.

Above: Jayphet Makau of Tanzania and Rev Connie Sanches of Honduras

THEOLOGY FOR THE ALLIANCE

The Anglican family is committed in our five marks of mission to respond to human need, to seek to transform unjust structures of society and to sustain and renew the life of the earth .

Following this calling, Paulo Ueti, Bible Scholar and Alliance Facilitator, facilitated three sessions of theological reflection on development and Christian responsibility following the steps of the Blind Man found in John's Gospel chapter 9.

Theology of development: which development, for whom, with whom, by whom? Which theology, done by whom, on which purpose? These questions were the background to our thoughts.

The blind man is a metaphor of what we've been doing supporting and organising financial business, aid and education to the people in most vulnerable situation.

As the blind man people is healed, the voice is given back to them, they can say their own word, they evolve a simple statement into a prophetic and theological teaching, they dare to challenge the system and words from the oppressor that keep saying the world is like this because of God's will. They became human again and autonomous.

CONCLUSIONS ON EMPOWERMENT

The group concluded the Church has an important role in relieving poverty and suffering in the world and is a key actor in empowering vulnerable people. The group left the workshop with commitments to:

- Collaborate for people's education in economic empowerment,

- Raise consciousness of human and environment rights, encouraging people to get involved in social movements, and continue in the accompaniment process of local groups.
- Get involved in local and international rights-based campaigns, such as for women, indigenous

people, children, elderly, people living with HIV.

- Continue to make alliances and network with groups to make our society more just.
- Take advantage of our global communion to enable the exchange of experiences and better use of our resources.

CHIEF CAUSES OF POVERTY - REPORT FROM MIKE ROY

Before starting the group discussion the team briefly reflected on poverty issues taking the opinions from the discussion of the key note speaker.

The conclusion drawn on poverty, it is a multi-dimensional issue. It varies country to country, area to area and it causes are very diverse.

To identify the poor in local context, it was found that for those who are resource poor and lack access to opportunities, poverty is a prevailing issue to them.

The following groups were identified as most deprived and impacted severely by poverty factors:

- Poor women-headed families
- People with poor access to resources
- Widows
- Divorced or deserted women
- Children of poor family
- Ethnic minorities

- People with disabilities
- People living in remote areas (Spatial aspect)
- Non-income dependent elderly people
- People living in climate change affected areas
- Resource poor illiterate people

To identify the prevailing factors of poverty a detailed discussion took place and found the following factors that specifically work for generating poverty:

- Lack of entitlement on or access to resources such as land, water-body, forest, common properties and so on
- Lack of technology, knowledge and skill required to improved use of resources
- Lack of access to financial capital such as credit under suitable terms and conditions
- Isolation and lack of social organisation
- Lack of unity and understanding among

the poor to deal their interest

- Infiltration, pressure, harassment of vested interest group
- Lack of advocacy power
- Lack of pro-people policy
- Lack of local structure/ institution to act for the people
- Lack of access to market value chain with reasonable bargaining power
- Predominate bureaucracy at institutional and government office level

The group drew the conclusion, that the lack of access to opportunities including credit and entitlement to resources are the major factors that cause and perpetuate poverty. It was identified that lack of access to suitable credit is a big barrier for the extreme poor for making investment to raise income.

NEXT STEPS TO PEOPLE'S EMPOWERMENT

. Next steps to be taken evolved through discussion The key to promoting economic empowerment went to making credit and other facilities available for the poorest of the poor, promoting access to market, introducing insurance to secure basic needs, and building a stronger social base such as cooperative for producing more services for sustained economic wellbeing.

Next steps for the Bangladesh team were:

- Building a partnership with a local loan agency for facilitating credit for the hard core poor.
 - Introducing insurance facilities with microfinance support.
 - Initiating an assessment for introducing Philippines model of cooperatives.
- And for the Philippines team, next steps were:*

- Initiating steps for scaling up cooperatives from primary to secondary tier with stronger practice of good governance.
- Enrolling women in higher management of cooperatives.

Next advocacy steps were:

- Awareness campaign in food advocacy.
- Sustainable farming to promote food security.
- Economic advocacy on government procurement practices.
- Advocacy for Improved rural infrastructure
- Community advocacy for access to common property resources with legal rights.

Tools to tackle poverty

The team identified relevant tools, the methods to utilise them and partners and advocacy to promote economic empowerment.

For Bangladesh micro-finance was identified as the key tool for promoting economic empowerment. But special products were needed for the hard-core poor at low interest rates with training in financial literacy and skill training in alternative income generating activities.

Other tools identified were insurance for health, product safety or meeting

crop failure, in Bangladesh, pilots in cooperatives based on good practices from Philippines, micro-finance with products to meet local needs, and in the Philippines upgrading cooperatives from primary to secondary levels

The group later identified the following steps to promote those tools:

- A systematic study of the outcome of microfinance interventions to assess its real impact and identify the needs of effective products for poverty reduction and economic

empowerment,

- In scaling up cooperatives, governance issues must be taken into serious consideration, including rules of alternative leadership and transparent and quality services.
- Support from other agencies to expand micro-finance. The Bangladesh team identified some potential partners.

Later the team identified promotion of micro-finance for the hardcore poor as the key advocacy issue.

RESEARCH CHALLENGES THE RESULTS OF MICRO-FINANCE

Dr Ruth Stewart of London University presented the findings of her research into the effectiveness of micro-finance in over-coming poverty, especially among women.

She looked at eight different models of micro-finance, including savings-based and credit-based schemes, micro-insurance, micro-leasing credit unions and co-operatives. Her research brought together the results of many hundreds of studies of the impact of micro-finance schemes.

In a challenging presentation, she said that the evidence was not conclusive that the schemes by them-

selves would overcome poverty, and in some the provision of finance to poor people resulted in them falling into debt. Of the different models, micro-savings schemes were more likely than the others to lead to a higher level of economic engagement among poor people.

In discussion, many participants said they found the research results depressing. But they also recognised the need for careful studies of the impact of policies, and also to base anti-poverty strategies on sound evidence.

Humphrey Norrington, from the UK said that micro-

finance programmes needed to be accompanied by advice on debt management. Patrick Pelenia of the Philippines said that the research acted as a wake-up call to challenge assumptions about micro-finance. And Rev Moses Bushendich of Uganda suggested that micro-finance should be targeted on the group he called "the active poor" who had the entrepreneurial ability to use the finance in micro-enterprises.

Ruth's full research findings, on micro-finance in Africa and worldwide, and summary documents, are available on the Alliance website.

CO-OPERATIVES AND OTHER MUTUAL MODELS ARE ENDORSED

The role of cooperatives in promoting economic empowerment in the Philippines was described by Patrick Pelenia.

He said that co-ops had been used both to provide financing and also as a method of marketing. In the Philippines cooperatives were successful in eliminat-

ing middlemen from the supply chain, and providing small-scale producers with an opportunity to pool their produce to get better prices. Among their benefits was that they were owned by the community, and profits were returned to the community.

Right: Patrick Pelenia



ACCESS TO MARKETS FOR SMALLHOLDERS

Mrs Anne Mbaamba of the Alliance for a Green Revolution in Africa, made a powerful presentation on the role of agriculture in economic empowerment.

She said that in rural areas agriculture was the only form of economic activity available. Yet there were acute inequalities between the resourcing of farmers in richer

countries and those in the developing world.

Farmers needed access to finance for seeds and fertilisers, information about and access to markets, and information about market prices. She urged the use of whatever form of micro-finance worked in the community - although she warned against the risks of getting poor

people into debt by providing them with credit.

And she said that co-operatives were good for building linkages between partners along the value chain.

Describing poverty as a mindset, she said that when it came to economic empowerment "more can be delivered from the pulpit than is happening now."

PEOPLE AT THE WORKSHOP



Archbishops Most Rev Albert Chama of the Province of Central Africa and Most Rev Eliud Wabukala of the Anglican Church of Kenya.



Babu Lal Chatterjee of the Church of Bangladesh Social Development Programme.



Florence Sarker of the Church of Bangladesh and Rev Moses Bushendich of the Church of Uganda.



Bishop Francisco Duque of Colombia, Ninth Province, led the final service.



Peter Nyorsok of Kenya and Humphrey Norrington of the Alliance Reference Board.

WORKSHOP RESOURCES

You can access workshop resources through the Alliance website at:

www.anglicanalliance.org/activities/events/6799/economic-empowerment-workshop

.Among the papers you can download there are:

- Presentation and podcast by Prof Elishiba Kimani on Gender and Poverty
- Presentation by Ruth Stewart on impact of Microfinance with background papers and reports
- Presentations on micro-finance and co-operatives from:
 - Honduras
 - Philippines
 - Rwanda
 - Mozambique
 - Mothers Union (Malawi)
 - Bangladesh
- Anglican Health Network presentation on micro-health insurance in Tanzania
- Presentation and two podcasts on Theologies of development by Paulo Ueti
- Presentation on mission activity in Colombia by Bishop Francisco Duque
- Outcomes document - presenting the results of the workshop.
- ACT Alliance gender report entitled 'Clapping with both hands'

Access the podcasts

To go directly to Professor Elishiba's and Paulo Ueti's podcasts visit us on vimeo: <https://vimeo.com/channels/nairobi>

MOTHERS UNION STARTS LOCAL BANK TO REACH SMALLHOLDERS IN KENYA

Dimkes Sacco was started by the Mothers Union to provide micro-finance to people in Kiambu, a small town near Nairobi.

Dimkes' chief executive, Rev Samuel Ndichu, set out the bank's growth and its services for the town and surrounding rural areas.

The bank provides basic loans up to three times members' savings, with negotiable interest rates and a maximum loan period of three years. It provides loans to pay for children's education - not just for micro-enterprises.

It operates out of a first floor banking office, and is



registered in Kenya under the Co-operative Society's Act.

The visitors were impressed by the high rate of growth and business model of the society.

Above: CEO Rev Samuel

Ndichu with Rev Canon Desiderata Niragira of Burundi, Immaculee Niringimana of Rwanda, Mpho Mashenge of Southern Africa and Betty Chimbe of Malawi - all Mothers' Union members.

TANZANIA PILOTS HEALTH MICROINSURANCE

Health is one of the building blocks of economic empowerment: so the health micro-insurance scheme piloted in Tanzania was a factor in economic development.

Japhet Makau, of the Anglican Health Network, set out the details of how the micro-finance scheme developed by the network, operated, and his presentation is available on the website. People paid a monthly premium amounting to USD \$40 for a family of five for a year, and in return had health services provided through a network of private sector providers operating under contract to the health insurance scheme.

Treatment was

provided under the scheme for malaria, acute respiratory diseases diarrhoea, pneumonia and ante and post natal care.

Over the ten months in which the scheme operated, the value of the treatment provided under the scheme was much higher than the value of the premiums paid.

The conclusion that Japhet drew was that the limited scheme had not worked, and the Network was looking for a way to run a second pilot.

However there was a very lively debate after Japhet's presentation. Participants said that although the scheme had not worked in financial terms, it was wrong to regard it as a failure. It

had provided an important service. The challenge was to make it cost effective, probably by making sure that some middle or higher income church members also became enrolled in the scheme. Health insurance schemes which only served those on lower incomes who were also more likely to have health problems, were unlikely to be sustainable.

Despite the difficulties in the scheme, the workshop decided to recommend continued exploration of health micro insurance as one of the proposals in the workshop outcomes document.



WHO WAS AT THE WORKSHOP

Beth Sneddon – Anglican Board of Mission (Australia)
 Dona Cristina Ussene – Primates World Relief and Development Fund - Mozambique
 Nurce Njavea – PWRDF - Mozambique
 Humphrey Norrington – Lambeth Trustees - UK
 Canon Desiderata Niragira – Mothers Union - Burundi
 Betty Chimbe – MU - Malawi
 Peterson Karanja - Five Talents - Kenya
 Esther Nakamette - Five Talent - Uganda
 Babu Lal Chaterjee – Church of Bangladesh
 Florence Sarker – Bangladesh
 Peter Nyorsok, Kenya
 Rev Canon Uziah Maate Kariaghe - Uganda
 Rev Moses Bushendich – Uganda
 Rev Connie Sanches – Honduras
 Bishop Francisco Duque – Colombia
 Rev Mashyaka Anastase – Rwanda
 Immaculee Niringimana – Rwanda
 Canon Anthony Ewully – Province of West Africa
 Muriel Edusei – Province of West Africa
 Dr Dickson Chilongani – Tanzania
 Martha Mgomi - Tanzania
 Petrina Pakoe – Southern Africa
 Mpho Mashengete – Southern Africa
 Floyd Lalwet – Philippines
 Patrick Pelenia – Philippines
 Dominga Anosan – Philippines
 Jayphet Makau – Anglican Health Network
 Ruth Stewart – University of London
 Sally Keeble – Anglican Alliance Director
 Emmanuel Olatunji – Alliance Africa facilitator
 Michael Roy – Alliance Asia facilitator
 Paulo Ueti – Latin America and Caribbean facilitator

OUTCOMES FROM THE WORKSHOP

The workshop agreed an outcomes document setting out priorities for the Anglican Alliance in economic empowerment and also food security that was an important theme in discussions.

The full outcomes document is available on the website. It includes as priorities:

- To increase access to for the active poor, for very low income entrepreneurs who can create employment, especially women, young people, people in agriculture, and the urban poor.
- Working for economic empowerment in conflict affected countries and communities and displaced people.
- Development of new products and services that can provide access to finance for the most poor, especially products for farmers.
- Advocacy to improve financial protection through better regulatory regimes and insurance.
- Support for a range of models of finance including co-operatives, partnerships with existing financial services institutions and micro-credit or savings schemes.
- Special support for community-owned and mutual models of financial services.
- Women's representation at all levels of economic decision making, and involvement of other excluded sectors of the community.
- Better financial literacy including training in consumer rights.
- Improvement of access to markets especially for farmers
- Advocacy for improved infrastructure and basic services for the poor
- Advocacy on food rights, especially for women farmers.
- Advocacy to the Church to act on food security
- More research into financial regulation and into what does and doesn't work
- Developing a theology of economic empowerment.
- A special focus on the food security and farming sectors, with clear leadership from the Church on this issue.

Individual participants set out their commitments to take action when they returned home.