MANAGEMENT 283/783X: STRATEGIES FOR ECONOMIC INCLUSION
SPRING 2010/*WEDNESDAYS 3:00-6:00pm*

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COURSE DESCRIPTION

The majority of humans, estimated to exceed 4 billion people, exist on incomes less than $3,000 per year. Over 1 billion of these poor exist on less than a $1 per day. Many poor are denied the opportunity to engage in the global business environment. Constraints they face include those of capital, knowledge, and services.

This course is designed to attract those who are interested in the market for the poor. It will provide a managerial guide to those who may want to pursue careers in this space. The course is designed to present a multi-functional view of decisions managers will face.

FORMAT

The course will meet for one semester once a week for 3 hours. Each class will consist of a one hour lecture followed by a presentation of an outside speaker. Outside of class, students will be expected to work on a field study project with an organization in the microfinance field.

Deliverables will include weekly class participation and a final presentation on the work completed in the field study project.

COURSE MATERIALS

1. *The Economics of Microfinance*, Armendariz and Morduch (AM)
2. *Understanding the Opportunities and Challenges of the Market at the Bottom of the Pyramid*, Rhyne (RH)
3. Bulk Pack
4. Class Handouts

EVALUATION

Field Project	50%
Class Participation	35%
Peer Evaluation	15%

SPEAKERS

We will inform students of the next week's speaker as far ahead in advance as possible. An email will be sent with each speaker's bio and area of expertise before the class, so please come prepared with questions.

COURSE OUTLINE

Session/Date	Reading Assignments/Preparation

INTRODUCTION

- **Class 1 – Market for financial inclusion**

    Readings: Chapter 1 (AM) "Rethinking Banking"
    Chapter 2, 3 (RH) "Who serves the BOP market?" " Four critical challenges in the BOP market".

- **Class 2 – Characteristics of the Market**

    Readings: Chapter 2 and 4 (AM) "Why intervene in credit markets?"
    "Group Lending"

CAPABILITIES AND STRATEGIES

- **Class 3 – Building Capabilities**

    Readings: Chapter 5 (AM) "Beyond Group Lending"
    "Measuring results of microfinance institutions", CGAP

- **Class 4 – The use of networks**

    Readings: Format for Appraisal of Network Support Organizations" CGAP
    Chapter 6 (RH) "Corporate Choices"

- **Class 5 – Technology and costs**

    Readings: "Poor people using mobile financial mobile services" (CGAP)
    Chapter 12 (RH) "Last-mile technologies"
    "Microfinance technology survey", CGAP

- **Class 6 – Segmenting the Market**

    Readings: Chapter 7 (AM) Gender
    "Crafting a money transfer strategy", CGAP

- **Class 7 – Designing the Product**

    Readings: "The new moneylenders: Are the poor being exploited by high microcredit rates", CGAP
    Chapter 5 (RH) "Three products: insurance, housing finance, and remittances"
    Chapter 16 (RH) "Client protection…"

- **Class 8 – Managing the flow of funds**

  Readings: Chapter 9 (Rhyne)

- **Class 9 – The use of micro-finance**

  Readings: "The role of microfinance in addressing the HIV/AID Pandemic in Zambia", UNCDF Paper
  "Islamic microfinance: An emerging market niche", CGAP

IS GOOD BUSINESS SOCIAL BUSINESS?

- **Class 10 – Measurement of social impact**

  Readings: Chapter 8 (AM) "Measuring impacts"
  "A poverty assessment
  Chapter 11, 18 (RH) "Credit bureaus and credit scoring"; Measuring the social bottom line"

- **Class 11 – Incorporating the poor into supply chains**

  Readings: "Effective partnerships in micro-enterprise in Nepal" UNDP Paper
  "Building industrial supply chains and developing communities", IFC Paper

- **Class 12 - Health care and microfinance**

  Readings: "Health-care provision meets microcredit in Argentina", WHO Paper
  "Countries test new ways to finance health care", WHO Paper
  "Micro health insurance hedges risk for India's Poorest" Christian Science Monitor.

- **Class 13 – Sustainability**

  Readings: Chapter 9 (AM) "Subsidy and Sustainability"