



MANAGEMENT 283/783: STRATEGIES FOR ECONOMIC INCLUSION
SPRING 2011/WEDNESDAYS 3:00-6:00pm – JMHH 365

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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 format will 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. These projects will be organized by our TA's.

(Note: FAP project outlines will be in webCafe by next Wednesday. The deadline for project preferences - due Friday, Jan. 28th)

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* (2nd ed), 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	60%
Class Participation	25%
Peer Evaluation	15%

SPEAKERS

We will inform students of the next week's speaker as far ahead in advance as possible. Each speaker's bio and area of expertise will be posted in webCafé for you to review before the class, so please come prepared with questions.

COURSE OUTLINE

Session (Date)	Reading Assignments/Preparation
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INTRODUCTION

- **Class 1 (Jan. 19) – 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”.
Chapter 2 and 4 (AM) “Why intervene in credit markets?”
“Group Lending”

Speaker: Tony Singleton, Previous Vice President and Regional Director for Africa, FINCA

January 26 – No class

CAPABILITIES AND STRATEGIES

- **Class 2 (Feb. 2) – Building capabilities**

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

Speaker: Nancy Barry, Founder and President, Enterprise Solutions to Poverty (former President, Women’s World Banking)

- **Class 3 (Feb. 9) – Developing segments**

Readings: “Poor people using mobile financial mobile services” (CGAP)
Chapter 12 (RH) “Last-mile technologies”
“Microfinance technology survey”, CGAP
Chapter 5 (RH) “Three products: insurance, housing finance, and remittances”

Speaker: Richard Shumann, Senior Technical Specialist, CHF International

Session (Date)	Reading Assignments/Preparation
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- **Class 4 (Feb. 16) – Segmenting the Market**

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

Speaker: Sona Gandhi, Deputy to President & CEO, FINCA

- **Class 5 (Feb. 23) – Designing the Product**

Readings: “The new moneylenders: Are the poor being exploited by high microcredit rates”, CGAP
Chapter 16 (RH) “Client protection...”

Speaker: TBD

- **Class 6 (Mar. 2) – Managing the flow of funds**

Readings: Chapter 9 (Rhyne)

Speaker: Sarah Leshner, Senior Investment Analyst, Blue Orchard

- **Mar 9 – Spring Break – No Class**

- **Class 7 (Mar. 16) – The use of micro-finance**

Readings: “The role of microfinance in addressing the HIV/AIDS Pandemic in Zambia”, UNCDF Paper
“Islamic microfinance: An emerging market niche”, CGAP
“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.

Speaker: Sophie Romana, Executive Director, PlaNet Finance US

IS GOOD BUSINESS SOCIAL BUSINESS?

- **Class 8 (Mar. 23) – 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”

Speaker: Blaine Stephens, COO and Director of Analysis, Microfinance Information Exchange (MIX)

Session (Date)	Reading Assignments/Preparation
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- **Class 9 (Mar. 30) – 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

Speaker: Hans Dellien, Director of Microfinance Products and Services, Women’s World Banking

- **Class 10 (Apr. 6) - Commercialization - The loss of the double bottom line?**

Readings: Chapter 8, “Commercialization and Regulation” (AM)
Yunus, Muhammad, “From microlender to loan shark”, *International Herald Tribune*.
Flintoff, Corey, “India’s poor reel under microfinance debt burden” NPR News
Bajaj, Vikas, “15 years in, microcredit has suffered a black eye”, *The New York Times*.

Speaker: TBD

- **Class 11 (Apr. 13) – FAP Presentations by Groups**

Speaker: Lynne Patterson, Co-Founder and Director, Pro Mujer

- **Class 12 (Apr. 20) – FAP Presentations by Groups**