

The Carol and Lawrence Zicklin Center for Business Ethics Research Research Proposal

Topic: Researching the Role of Microfinance in Primary Education as a Means to Decrease Poverty in Uganda

Principal Investigator: Lisa Zhu

Time Frame: June 2007 – August 2007

Description:

The Foundation for Sustainable Development is a nonprofit organization that partners with NGOs in local communities around the world in a grassroots effort to decrease poverty in developing countries. Specifically, I have been assigned to work with the Pheobe Education Fund for Aids Orphans and Vulnerable Children (PEFO), a local nonprofit group in Jinja, Uganda that is seeking to expand the microfinance and micro-credit services aspect of their business operation. Currently, PEFO offers limited financial advising for the caretakers of these orphans and vulnerable children. However, they also intend to implement a financial planning course directly targeted for the children themselves within their field of educational programs. Because the microfinance industry has currently seen a considerable degree of success working with adults in small business consulting and lending, PEFO hopes that instructing children relatively early on about similar financial practices will be helpful in increasing the understanding of available financial services and decreasing the stigma of accepting loans.

With the internship opportunity I have been offered, I will be working in Uganda for two and a half months. My primary responsibilities with PEFO will revolve around the operations and development of their microfinance services, including but not limited to:

- Create a peer education program focused the understanding of financial services and fiscal responsibility
- Help with fundraising and grant writing for additional scholastic materials, school fees, farming tools, support for caregivers, and other resources for projects as dictated by assessments and needs of beneficiaries
- Help in running the revolving micro-credit scheme to ensure that the micro-credit scheme is strengthened
- Assist in the building of skills and knowledge of the caretakers of orphans and vulnerable children in subjects such as business management, entrepreneurship, and farming as a business
- Assist in the expansion of programs into other schools; this would include conducting outreach, needs assessments, networking with relevant partners, and being involved in program development at a strategic level
- Create a training of the trainer program to ensure sustainability

My research will hopefully focus on the positive economic effects of teaching basic, practicable financial concepts to impoverished children. Because long-term effects will be difficult to observe over a period of two and a half months, I will be focusing more on short-term qualitative results through ethnographic study and personal interviews conducted with children, caretakers, and program coordinators. At the same time, I will do my best to include long-term effects

through secondary research and literary review. However, it must be taken into account that the microfinance industry is a relatively recent development within the past three decades, and a wide range of previous study on the topic may not be readily available.