Bringing Microfinance to Rural Zambia

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Abstract

While there is much publicity about success stories of development projects initiated by foreign donor community (public and private) at the national level in developing countries, the bitter truth that presents itself at the local community level is that the majority of donor efforts fail. Accordingly, scholars writing within the sub-field of community development have made efforts to identify the causes of success and failure in donor development programs. This paper is an effort to extend this endeavor. Thus our main research question is what accounts for success in community development in impoverished countries? Following Tomanye’s (2010) “place-based approach”, which emphasizes the mobilization of potentials within communities to link external resources, we find that success or failure depends on the level of control exercised by the recipient community. Also, our finding shows that a few donor factors, particularly respect and understanding of the local cultures are highly correlated with the probability of success. Practitioners and aspiring community development professionals will find our approach useful, especially if they desire to work in Sub-Saharan Africa, albeit taking into consideration country specific context.

As part of the Community Development Seminar (SOA/POL 470) at Illinois State University, students were required to work in a group to organize and present a community development project. Guided by our professor, Dr. Osaore Adieyan, Stevenson Center for Community and Economic Development graduate students Timothy J. Glaza (political science), Alyssa H. Curran (economics), and Kate E. Slisz (sociology) formulated a microfinance project in Zambia. This project was inspired by Tim’s Peace Corps Zambia service in Hamabbonka Village. Collectively, we researched Zambia, microfinance, community development theories, and discussed dimensions, challenges, and solutions for our project.

While this effort derived from our independent research in Community Development Seminar (SOA/POL 470) at Illinois State University, we are convinced that the theory and practice that informs its core goals makes it a manual or a handbook for those interested in the process of community development in developing countries. Beginning with a review of development as a concept and microfinance as a tool, we explain our approach as community development practitioners in rural Zambia.

COMMUNITY DEVELOPMENT

Defining Development

As evident in the following quotation, the definition of development has been highly debated between community development researchers and practitioners. “Development is a concept which is contested both theoretically and politically, and is inherently both complex and ambiguous” (Sumner 2007:9). The ambiguity and complexity surrounding the definition of development stems from the extensive breadth and depth of issues that community development addresses. Broadly speaking, community development work is aimed at creating physical, social, and economic improvement in communities. However, no two communities are exactly the same. Each community has its own historical and social context that must constantly be taken into consideration when practitioners are conducting community development work. Therefore, “the objectives and the conditions faced by community development practitioners simply require constant situational theory building” (Cook 2:1994). In the same way, many practitioners see definitions and theories of development as not only constraining but also as largely irrelevant. In fact, it can be argued that a universal framework for community development is rather impractical. While these views will not be resolved in favor of practitioners and theorists, this paper is of the view that a place-based approach to community development is more suited in achieving high levels of physical, social, and economic improvement in communities, especially in developing countries.

A Place-based Approach

A place-based approach to development aims to identify and mobilize potential *within* communities. This is a comprehensive approach to community development and works to revitalize multiple aspects of an entire community. This approach emphasizes the ability of communities to grow by utilizing their own resources (Tomaney 2010). By building upon this potential and tapping links to external resources, this approach concentrates on creating assets that benefit the entire community. “The increasing range of institutional actors engaging in place-based initiatives creates new opportunities for alignment across institutions, including federal and local government, the private sector, philanthropy, and nonprofits, and across issue areas” (Community Development Department 2010:3). By taking a place-based approach to community development, practitioners are able to build stronger and more cohesive communities. This approach also increases the likelihood of successfully creating sustainable change within these communities.

Participatory Development

We follow a people-centered, participatory development approach to community development work. Community members should be at the heart of everything practitioners do. No one knows a community better than the members living in it. Therefore, given the highly contextual nature of community development work, the planning and implementation of programs and projects should be determined by local citizens. All community members have the right to participate in decision-making processes, to shape the environment they live in, and to be informed about decisions that impact their lives. Every citizen should be able to give their input, share resources, and take responsibility for actions and outcomes in their community. The ultimate indicator of success in community development is when the practitioner is no longer needed in the community. Essentially, practitioners work themselves out of a job (Vincent 2008). Overall, promoting a pro-active, citizen-led approach within communities will lead to more successful development and sustainable change.

MICROFINANCE BACKGROUND AND THEORY

Microfinance has become a popular method used in the alleviation of poverty by community development professionals in the last few decades. Microfinance is a general term that encompasses the provision of financial services to low-income individuals who otherwise do not have access to traditional banking services or credit. Generally, microfinance or micro-lending is practiced in the form of small loans that are believed to aid low-income and impoverished individuals in lifting themselves out of poverty and helping them to establish a sustainable stream of income for their families. Microfinance institutions (MFI’s) come in the form of small non-profits to large commercial banks (Kiva 2011).

The founding of modern microfinance is widely accredited to Professor Muhammad Yunus, who began lending to poor women in Bangladesh in the 1970s. After proving the success of his microfinance efforts, he went on to establish the Grameen Bank (stemming from the word gram which means “rural” or “village” in Bengali) in 1983 and the bank still operates successfully today. Many developing countries have adopted this model of microfinance, which centers on solidarity groups of 5-10 women dividing up small loans and holding each other accountable to pay back (Yunus 2007). Since then, many other microfinance innovations have been developed to bring financial services to poor populations. It has been estimated by the World Bank that 160 million people in developing countries have access to microfinance services today (Kiva 2011).

Studies have found evidence that microfinance is effective in the alleviation of poverty. It has been shown that poor households using these financial services are more able to meet their basic needs, protect against risks, improve their economic wellbeing, as well as maintain and grow their small enterprises. Further, the use of microfinance by poor women, who are the majority of participants, have promoted their empowerment and consequently has positively impacted gender-equity. Microfinance programs in Asia and Africa typically target women as their clients due to the assumption that empowering women will result in more effective allocation of resources and increased household wellbeing. This has been shown to be true in many studies done in Bangladesh, as services targeted to women were successful in increasing assets, incomes and educational attainment of children (IFPRI 2000). Specifically, Grameen Bank members’ incomes were shown to be 43% higher than residents of non-Grameen villages. Also, half of SHARE Microfin Limited clients lifted themselves out of poverty in India, and the weekly incomes of clients of FINCA (Foundation for International Community Assistance) in El Salvador increased by 145%. There are many other instances of microfinance programs successfully increasing the economic wellbeing of their clients (Kiva 2011).

Microfinance is just one method in the toolbox of community development professionals, however, and should not be used as the only strategy in the alleviation of poverty (Kiva 2011). For instance, the foundation must be laid in communities before microfinance will be effective, such as assuring that residents have the capacity to pay back the loans by means of small businesses. Also, geographically spread-out communities may not be ideal for microfinance, nor communities that rely on barter or one type of economic activity, to name a few (Kiva 2011). Other studies done in Bangladesh, Malawi and Madagascar have pointed out that microfinance achieves its desired results only when those communities have access to the necessary inputs to run their small enterprises. Inputs might include seeds, market access, and irrigation water (IFPRI 2000). In the next section we will provide some background information and demographics on our country of interest: Zambia.

ZAMBIA

Zambia is a landlocked country in south-central Africa. The landscape is mostly plateau but there are also some valleys and mountains. Located in the subtropics, most of the country receives adequate rainfall for agriculture. It has been settled for thousands of years by a collection of Bantu people but was colonized in recent history by the British. Obtaining independence in 1964, Zambia is now a multi-party parliamentary democracy lead by President Michael Sata (BBC 2011). Although there are dozens of tribes in the country it is relatively peaceful and stable and a popular idiom in the country is, “One Zambia, One Nation.”

The population is 13.2 million people (BBC 2011). The majority of the population relies on subsistence agriculture. Agriculture and copper mining are by far the most important sectors of the economy. The GNI per capita is $1,070 (BBC 2011). There are numerous health issues in the country, notable HIV/AIDs and malaria. The HIV/AIDs rate is estimated to be 13.5% (UNAIDS 2009). Zambia faces numerous developmental challenges and is financially poor. However, the people are strong and hardworking and we hope that microfinance can be a link to a prosperous future.

Envisioning the Work

In this section, we are going to provide an explanation of how we came to work in Zambia. Initially, we discovered that United States Agency for International Development (USAID) was looking to fill Foreign Service positions. Therefore, the three of us decided to apply. USAID soon contacted us and explained how they had recently partnered with The Ministry of Community Development and Social Services (CDSS) in Zambia. The Ministry of CDSS had advertised and encouraged villages to apply to receive community development specialists. USAID asked us if we would be willing to work with one of the women’s groups that had applied to receive development specialist in their village. We happily accepted. After some initial meetings and trainings through the United States Agency of International Aid (USAID), we were on our way to Zambia.

Upon arrival, we first met with some representatives of the Ministry of CDSS. Here, we were given more details about our assignment and placement before being taken to our village. When we first arrived, we were welcomed with open arms by the Dorcas group that we would be working closely with. The Dorcas are a network of local women’s groups associated with the Seventh Day Adventist Church doing community service.

The village was required to provide housing comparable to local standards for us, so the women of the Dorcas group showed us where we would be living. This was an optimal situation because it gave us the opportunity to immediately connect with the women and gave us the chance to explain our vision for working with them. Our vision entailed living in the village for two years. Our plan was to take the first six months to really get to know the community. We saw this as an essential step to integrate into the community. This meant learning their culture, gaining the community’s trust and respect, and building social networks that would be key for the project’s success

We figured that these first six months would give us enough time to complete a community assessment and figure out what issues the locals wanted us to tackle. After the initial six months, the plan was to stay for another year and a half to design and implement the program. We thought a year and a half would be enough time to overcome any initial setbacks and to go through the steps needed to ensure the sustainability of the program after we left the village. The next section describes the social and environmental atmosphere where we were placed.

Characteristics of Hamabbonka

We were placed in Hamabbonka village located in Moyo chiefdom, Choma District, of the Southern Province. The nearest market, Batoka, is about 15 km away. Batoka is connected to the provincial capital, Choma, by a well-paved road. Batoka is 30 km from Choma and about 264 km from the capital city, Lusaka. The Southern Province is primarily populated by the Batonga people. Some of the Batonga are polygamist and it is not uncommon to find men with two or three wives. Families are large and Hammabbonka has about 100 households with about seven people per household making the total population approximately 700 people.

The seasons profoundly affect life in the village. The rainy season starts in November. Most of the rainfall is in December to March and the season tapers off in April. This is a very busy time for the village. Families are cultivating the land, planting, weeding, and gardening. About 700 to 900 mm of rain falls per season. The cool/dry season starts around May. This is also harvesting time. The cool/dry season is considered “development” season. A lot of NGOs and other groups try to do their work during this time because the land is dry (roads are in better shape), the temperature is not too high, and people are not as busy. This is also a time when many families are repairing and building structures such as houses or fences. All village structures are made with local materials: mud bricks (sand, clay and mud), timber, grass, and fiber from trees. Some families are able to afford iron sheets for roofing but many still rely on grass for shelter. The cool/dry season ends in September and then begins the hot/dry season. People do not work as much but they mostly continue to do building repairs and gardening.

The most pressing environmental problem in and around Hamabbonka village is deforestation. Trees are used for making charcoal and for building things. The land is also cleared for agriculture. Clearing trees contributes to soil infertility. The soil infertility leads to lower crop yields. Most families try to improve their yields with expensive and at times damaging synthetic fertilizers.

As a community relying on subsistence agriculture, family members work together to provide sustenance. Men are the leaders of the household and they focus on decision making, handling money, building structures, attending village meetings, farming, and gardening. Women are responsible for raising the children, cooking, fetching water, cleaning, farming, and gardening. The economy in the village revolves around agriculture and if families are able to harvest more than they need for the year, they will sell or trade it in town. Other ways to generate income are through animal husbandry, carpentry, charcoal production and piecework. Piecework is an opportunity for someone to be employed temporarily to pull weeds, cultivate land, or build structures for someone wealthy in the community.

There are a variety of crops grown in Hamabbonka. Almost everyone grows maize in their fields and they use it for the staple food, nsima. Ground nuts (peanuts), sweet potatoes, and beans are also common. Tomatoes, cabbage, rape (kale), and onions are most commonly grown in the gardens. Bananas and mangos are the most popular fruits but oranges and a variety of indigenous fruits are also found. Most families keep livestock. Cattle, goats and chickens are the most common. Turkeys, guinea fowl, and pigs are kept by more skilled farmers. Animals are seen as a status symbol and are also kept in lieu of a bank account.

Meat is only eaten on special occasions. As mentioned, maize is the staple and is dried, grinded into meal, and then it is cooked to make nsima. Nsima is eaten with the hands and is dipped into a relish. The relish varies but is commonly beans with vegetables, vegetable stew, meat or eggs. The traditional drink, cibwantu is a sweet beer (non-alcoholic) and it is made by grinded maize, boiled, and a root is added. It can be served warm or cold and many like to add sugar. Another Batonga traditional food is mabisi. Mabisi is sour milk and is mixed with nsima and eaten with a spoon. Snacks include fresh sugar cane or bread with tea.

Education levels in the village are quite low. It is rare to find an adult who has completed their secondary education. Most people from the village who complete secondary school will move to town or a city in search of employment. Hamabbonka has one government primary school for grades one to eight. The Zambian government provides education until grade eight. Many families struggle to pay school fees beyond primary school.

Hamabbonka has a number of Christian churches. Seventh Day Adventist, Pentecostal, and Pilgrim Wesleyan Church (PWC) are the main denominations. Dancing and singing are not only important to religious rituals but are also practiced in daily life. Almost everyone is associated with a church and there is a strong belief in the spiritual world. Witchcraft is seen as a powerful force and it is not hard to find a traditional doctor who can help with a range of ailments.

Funerals can last for days and it is a sign of respect to attend a friends’, relatives’, or neighbors’ funeral. In general, funerals for infants last one day, for children, two-three days, and for adults they can last up to five days. Funerals are important gatherings that involve prayer, mourning, eating, and discussion.

Weddings are celebrated in the village. Most of the time, when a young man finds a girl he wants to marry, he tells his parents. The parents of both the man and the woman arrange for the dowry (bride price). If the girl’s family is well-respected then they might have some say but usually if they can agree on the bride price, the wedding will go through without much input from the girl and her family.

A very important part of village life is the greeting. Greetings are very important and are often accompanied by a handshake. When visiting someone’s house, the host will usually greet first and the visitor responds. Visitors are usually invited to eat food and it is very rude to turn down food. When offered, it is respectful to try some even if you are not hungry. Women are expected to give up their seats for a man or someone older. Women are also expected to wear chitenges (cloth wrap) around their waist to cover their legs. They are not allowed to expose their thighs as they are considered private. Children respect their elders and if they misbehave they may be physically beaten. Now that we know a bit about the culture and environment we are working in, we can identify potential problems.

Steps to Work with the Community

**Step 1**: First 3 months, Community Entry

The first task is to meet with the headman and perhaps the chief, depending upon if the headman thinks that is something we should do. Next we visit the schools and clinics and get acclimated with the village. In the town of Choma, the district capital which is 45 km away, we plan to meet with immigration officials and police to let them know we have arrived and to communicate the goals of our work.

We hold community and church meetings to introduce ourselves to the local

residents, which is very important to do to establish trust in the community. We make sure to accept any invitations to meetings we get invited to, which will help us to build stronger relationships.

**Step 2:** 3-6 months in, Identifying the problem

To eventually identify that access to credit is a deficiency in this community, we hold a participatory needs assessment with the Dorcas Group of women. During this meeting we engage them in a tree activity, helping to outline roots and solutions of the problems they see in the community. The goal here is to identify what is the most troubling problem for these women, and they chose not having power over their money and not being able to make financial decisions, as the most pressing issue, as well not having access to credit for business activities.

If access to credit is enhanced in this community, some possible avenues for income are as follows:

* 1. Producing handicrafts, basket making, and reed mat making(using credit for buying supplies, cost: $50),
  2. Producing honey through keeping beehives (using credit for top bar beehives, cost: $50)
  3. Chicken coops for producing eggs (using credit for construction materials and buying broiler chickens, cost: $100)
  4. Operating a tailoring business to repair clothes (using credit for buying sewing machine, cost: $50-$100)
  5. Purchasing a water-pump for irrigation to increase vegetable production (cost: $50-$100)
  6. Purchasing tree seedlings for fruit or agroforestry (nitrogen fixing trees, trees for carpentry, trees for charcoal production. Using credit for seedlings, cost: $1-$4 per seedling)
  7. Investing in more diverse gardening, and new seeds (cost: $1-$2 package)
  8. Sunflower oil production (using credit to purchase a press, cost: $25-$50)

Relevant dimensions of the problem

The main issue we aim to address during our assignment is that women do not have funds or access to credit and are not able to make financial decisions in the household. Easier and more reliable access to credit for women would have a positive impact in this community, as they could use funds to pay for school fees for their children, to buy clothes, to buy household goods, and farm inputs.

**Dimension:** How would we address the issue of the current power structure being challenged?

One issue to consider when embarking upon this project would be that the men may get jealous, resentful, suspicious, offended, insulted, or even disenfranchised. To prepare for the possibility of this conflict, we plan to research and learn from case studies.

**Dimension:** How could we convince women to get involved?

Another issue that we need to consider is that it may be hard to get women to get involved as they may be fearful of their husbands’ reaction. Further, they may lack the confidence and skills in finance and business needed to be successful in this type of program. To prepare for the possibility of these issues, we will need to provide the women with various skill-building and empowerment trainings.

**Dimension:** Funding

To raise funds to support this operation, we plan to look to a number of sources. Our main extra source of funding will come from a grant we will apply for from the United States Agency for International Development (USAID). Further, we will plan to solicit donations from religious groups, as well as individual donors from the United States. We will also look to local government ministries for any additional funding opportunities. To keep the funding sustainable after we have departed from Zambia, we plan to build into our operation a revolving leadership team of program alumni who will both contribute themselves as well as raise funds from other past program participants.

**Dimension:** Logistics of program

As for the actual participants in the program, we will work with the church to select those women who are part of the Dorcas group from the SDA. Some of these women may end up being excluded, but it is at least a good starting-off point. Leadership for this project is also an important dimension and should be carefully planned. To this end, we decide to choose among the women participants those who naturally fall into a leadership role throughout the process. At first our team of community development workers will be in charge, until capable participants are identified and willing to take on more responsibility. We will also incorporate the input of the rest of the participants before we select those who will take on leadership roles. We will plan for the women to hold their meetings in our house, which will become the project headquarters. The women will be held accountable by the other members of the group and will be responsible for laying out rules to follow that will keep the project running cohesively and successfully.

**Step 3:** 7 months in, Design of program

In regard to project funding, we have a grant from USAID. Included in our grant is $500/group of women (we are starting off with just the Dorcas group), $100 per member. For the three of us, there is $15,000 allotted for living allowance - $5,000/person for the entire 2 years. After discussing options on how to address the issue of lack of access to credit for the community, the Dorcas Group decided on a microfinance program.

The design of a microfinance program will involve a participatory process of planning by us and the Dorcas group. We plan to hold classes to explain the process of microfinance to the Dorcas group of women, providing them with options and details of how it will work and asking them for their input and ideas. Some of these options include individual loans and Solidarity groups. The Dorcas group eventually decided on a solidarity group. This type of group requires that they share the responsibility for a small loan and will be required to put in 10% of their share of the loan to a savings account. We also provide for the women to have access to advisors to help them with setting up business operations and to train them to run their small business. We plan to leave as much up to the women as possible.

**Step 4:** 9-20 months in, Implementation

We plan to set up a bank account in Choma, the district capital. As mentioned before, we will be starting small with the Dorcas church group. We will work with them to build on their existing skills and together we will decide how often they would like to meet. In these meetings we hold trainings in basic finance and business skills. This first group of women will serve as advisors and carry on the operation to the next generation of borrowers. As such, the women of the Dorcas group may be seen as pioneers. We hope they will take a lot of pride in what they do and that this will prevent corruption, stealing and defaults. The group will be able to decide on the structure of the bank in a way that is consistent with their cultural norms.

**Step 5:** 21-24 months, Evaluation and Exit Strategy

To evaluate our progress with this project, we will be evaluating each woman on a case by case basis, and they will each have their own goals and their own idea of success. We plan to make appointments with members to discuss project progress. As for our exit strategy, we hope for the project to move forward and expand after we leave to include more solidarity microfinance groups. The women will decide how they want to continue the program after we exit. Women with the most successful enterprises will eventually contribute money to the revolving loan fund. We hope they will operate out of our now empty housing. It is also important to note that our exit strategy starts the minute we arrive in the village, as we are planning for the sustainability of our project the entire time. We will do our best to make sure the bank is sustainable by building capacity in our Dorcas group members.

Specific Skills and Approaches to Solve the Problem

In this section, we are going to focus on some invaluable skills and approaches we will take while working in our village. First of all, our most important approach will be community integration. Community integration is key to the success of a project of this nature. It not only helps practitioners to understand the culture of the community, but it also helps to build trust and allows practitioners to participate in the daily village life in a way that is similar to the community members they are working with.

One specific skill we deem as very important is learning the local language, which is Chitonga. This means using grammar and vocabulary books, hiring a tutor, and practicing with not only each other but also with our fellow community members. Doing this shows the community that we not only respecting their culture but we were investing in it as well.

Another approach we will take is participatory development. We want the women to know that this is their project, so from the very beginning, we will view and treat them as leaders and give them as much autonomy as possible. This could really help them to gain a sense of ownership over the project and help them to become empowered.

It is also important that we take a sustainable approach to this work. We want the project to continue after we leave, so we will build on the existing capacity of the women and then provided them with the additional skills and tools they would need to carry on the project by offering various trainings for them.

Finally, our ability to be flexible and communicate well with our women’s group are important skills that we will utilize throughout the project. It is important to be flexible when first implementing a project of this nature because it is inevitable that setbacks and unforeseen problems will arise. Also, working to create good communication with the community members is essential, especially in a scenario such as this in which ideas are likely to get lost in translation or there might be cultural barriers to overcome. Communication is not something that should be overlooked or taken for granted. Good communication must be established through a conscious effort by all parties involved.

Potential Solutions

In thinking through what solutions to the issue of lack of access to credit might work, we decide that in working with an established religious group, our probability of success is increased. We expect that the women in this group will have a high level of social capital from which to draw. Further, microfinance is not a handout. Because it is required that the money be paid back, sustainability and accountability are more likely to occur. Women who participate will feel more empowered to take control of their lives. A possible problem we may encounter is not generating enough income through the women’s individual small business projects to keep the microfinance operation going after our two year contract is up. To plan ahead for this, we start to rally support in the form of donations from those in the community, including church members, individual donors, and look into local government support sources.

Ethical Issues

We were concerned about a variety of ethical issues throughout the planning and implementation of this project. First of all, the village we were working in had very strict and traditional gender roles. Therefore, we were concerned with how the men might react to our project challenging the current power structure. This meant we had to keep the women’s safety in mind while planning and implementing the project. Taking that into consideration, we were also concerned that some men might try to take advantage of our program through the women. In other words, men might have the women sign up for the loans but then take the money for their own use. Having a man utilize the funds through deceptive means would take an opportunity away from a woman to gain access to credit and become empowered.

We were also aware that we had to start small and then worry about expanding the project later. Therefore, when we started the project, we could only fund a limited number of women. Here, we were worried that initially there might be some jealousy among the other women in the village. Furthermore, we were worried there may be some jealousy within the microfinance group itself due to women having different leadership roles and also because of different levels of success pertaining to their individual projects. Finally, another issue we were concerned about was whether or not the women would be able to pay back their loans and, if not, how we would address that. Keeping these ethical issues in mind throughout our project was key to ensuring its success.

Other Problems

Some other potential problems we need be aware of and prepared for include the possibility of getting sick, specifically of getting malaria. Further, we may be seen as targets for theft as we are from the United States and our project operation is run out of our housing unit. Also, others in the community may be interested in working with us for various other projects, but we may have to turn them away because we are focusing our time on a specific microfinance program with our Dorcas group. However, we may find time to work on secondary projects if we decide that it is feasible.

A problem for the women may be that they do not have access to markets for their small business enterprises. In addition, they may not have transport from the village to the towns where they can sell their goods. Lastly, sustainability of the microfinance program is of the utmost importance and it is quite possible that the project may fall apart once we depart from Zambia. In keeping all of these potential complications in mind, we prepared for these as thoroughly as we could before starting and during our work with the community.

Things to Keep in Mind When Working with the Community Council and Residents

In this section, we will focus on some key things we kept in mind while working with the community and residents. First of all, we were concerned as to whether or not we would have the community’s support if we ran into any problems, such as a leaky roof or if someone stole something from us. We worked hard to integrate ourselves into their community so we would be able to turn to them if anything like this would ever occur. Next, we did not want anyone in the community to think we were trying to “take over.” Therefore, we were really mindful of not overstepping our boundaries. We did not want the community leadership to think we were infringing on their power, so we did our best to show that we respected them. We did this by keeping in constant communication with them, keeping them updated on our project, and by visiting them often, always bringing gifts, such as a pound of sugar as is culturally accustomed. Finally, we were thinking positive thoughts. We had integrated well into the community and had developed a very thorough plan. The implementation seemed to be going well. Also, the women really believed in the project, and so did we. This confidence really helped us to keep a positive attitude throughout the entire project.

CONCLUSION

Working in another culture is difficult, especially when introducing a new concept such as microfinance. It is important to keep in mind that we are guiding the community to identify their problems and what they believe will be viable solutions, and not coming in to fix their problems for them. It is paramount to be cognizant of cultural differences and sensitive to potential conflicts. This type of work does not happen overnight. To the contrary it takes time and it is necessary to be patient to obtain results. Some of the themes of this project can be applied to a variety of community development issues.

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