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Community and International Development Major

Project Title: Application of the participatory micro-credit model to economically marginalized groups in the Moshi district of Tanzania.

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Abstract:

As the popularity of the microcredit schemes grows, organizations are increasingly turning to the financial systems model as a way to ensure the economic vitality of their program. This approach, however, inherently prioritizes the needs of the lending institution over those of the borrower. The financial systems model commonly disregards the needs of individual borrowers and as a result neglects pillars of microcredit. Such pillars include maximizing the benefit and minimizing the cost to borrowers, lending exclusively for profit-making ventures, increasing the life opportunity of individuals, and emphasizing training and savings equally with credit. By using a participatory planning model, assisted self-reliance framework, and identified best practices, programs can be established that eliminate the role of the donor over time, are tailored to the group, increase empowerment and are overall more successful at improving the lives of the beneficiaries. The goal of this research is to utilize the participatory approach to create a microcredit program that is more successful than financial systems model. The program will be created for the Salama Center in Moshi, Tanzania and will strive to maximize the following elements: depth, worth, cost to users, surplus, breadth, length and scope.