

## Profugo

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# The Kernel



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## Empowering our Wayanad Neighbors

Momentum is picking up and it's been a dynamic month at Profugo! Our team of board members, interns, and volunteers has been growing and we've been making full use of each body! Much is "cooking" as we're brainstorming different initiatives and seeking ways to develop organizationally as well as support the programs in the pipeline.



Team members attended an event hosted by Hope International and learned about the crucial role that

microfinance can play in removing the cloak of poverty and moving towards sustainability. We were also able to attend a sustainable development conference at Princeton University hosted by Engineers Without Borders and different university departments. The speakers included renowned development pioneers such as Dr. Bernard Amadei, the founder of Engineers Without Borders, as well as Nat Paynter, the Director of Water Programs at Charity: Water. These events were great opportunities to learn about the issues that development organization will have to consider when working in a community.

The importance of communication, culture, and involving the local community were discussed. In fact, it was stated during the conference that the only way towards building a sustainable community, is by empowering the local community. This is something Profugo very much stands by as we work with our global neighbors in Wayanad. We may help them cast a vision of a better quality of life, but without collaboration with one another, the solution will be ineffective at best.

At this month's Café Profugo, we had the pleasure of hosting Professor Christine Koggel from Bryn Mawr College as our speaker. She shared thoughts on ethical aspects of development as well as her experiences with a NGO in Indonesia. We hope to host Professor Koggel this winter for a discussion on peace-building.

We are also looking to bring on our first paid staff member, Andrés Umaña. Please consider supporting Andrés and Profugo as we grow organizationally. Please be on the lookout for a support letter in the near future.

~Greetings from one profugo to another!

### From Wayanad...

Hello from the lovely district of Wayanad, Kerala, India! I am in my third week here at the site of our first Center of Development and things are going well. I have visited most of our member families, the English school, the tailoring school, and learned to trust that I will not die on an Indian road (just kidding, that was not really a worry).

So far, I have been spending much of my time traveling with our Field Worker Jessi to visit, get to know, and get some basic information from the forty families that make up the community organization we work with in Wayanad. The people are more gracious here. Everywhere I stop, I am asked if I have eaten, if I have eaten enough, would I like something and usually regardless of the answer at least a little black tea, 'chia', comes out; often with some fruit. The questioning continues to how my family is, how I am doing, and how I enjoy Wayanad. The people can be busy, being very dependent on hit-and-miss jobs, but are always willing to stop to talk, drink tea, or cut a fresh cucumber, coconut, or bunch of bananas for me.

The English school is similarly going very well. Two classes have been formed, depending on skill level and roughly age. The students are doing quite well and are full of questions. Many times I had to ask a question repeated, having nothing to do with the speech or English, but because in their excitement everyone was asking questions at the same time and individuals were drowned in the general conversation. They asked about family, my stay, what I think and what I like of the region. They are also very curious of my opinion of them and will go around naming any and everything in the area to test out their English. Cat, coconut, television, chicken. It must be similar to how people hear me with my token five or so Malayalam words I know. (Distinctions in letter sounds that make little difference in English change words in Malayalam. For instance, I have trouble remembering to separate a soft 'a' and 'o' sound)

The tailoring school is also progressing nicely. A few students are finishing with finer skills and waiting for the shop to open so they can get to work. In particular, the opening of a tailoring shop will allow one man to work from the local community and walk home every night instead of getting a few days a month at home which is what is current job provides. In the next six months, we should have a full three classes graduated and the community will be in a position to open the shop. Tailoring is a promising business here in Wayanad. Many of the day-to-day clothes are handmade, and even many of the mass produced clothes are fitted locally. We have also introduced handbags as a possible product that may sale both in the region and in the United States.

By Joshua Keeney



Joshua and Sanjo

And the roads of India. Wayanad has much thinner traffic than the horror stories that I am sure most of us have heard from the large cities. However, I am becoming accustomed to swerving in and out of pot holes on the back of a motorcycle or being bounced around in a motorized rickshaw or patchwork bus. I am pretty sure, every other day a truck gets stuck on the hill incline just outside my window.

The question every Westerner or anyone who has spent much time with Westerners asks me is how my health is holding up. I ironically, the only issue I have had is from the West. The food and drink have not bothered me at all, which is amazing since I decided to just accept whatever was offered. I have run into a single fruit that I could not quite stomach, mostly for texture and taste, and I had a cup of coffee that sat mostly untouched. Both of these I gave a valiant effort to finish, but finally succumbed. However, the only issue has been my malaria medications. Anyone who knows these meds knows the horrors, and I must say, my responses have been so minimal as to barely credit mentioning except for the ironic contrast of the 'developed' nature making me sick when the 'developing' nation has treated me incredibly.

All the best from Wayanad,

Josh Keeney

*Joshua Keeney is an intern with Profugo and finishing up his M.A. in International Development at Eastern University. He did his field placement at Profugo's Center of Development in Wayanad, India.*

### Microfinance for Sustainability

By Andrés Umaña

What is poverty? A first and most simplistic approach implies that a female-headed household is poor when it lacks the money to cover the family's basic needs; Yet many homeless women around the world manage to find temporary shelter, free food and second-hand clothing for their family. A more elaborate definition is that beyond monetary shortcomings, poor people lack the power to determine their own destiny and have reduced options. Prisons, however, also house businessmen condemned of wrong doing, who have limited choices, yet remain wealthy and do not belong to the world's poor. Financially speaking, if we equate poverty to bankruptcy, an excess of debits over credits makes a young unemployed student insolvent, yet giving him money every month to cover his deficit hardly represents a long-term solution. Why then, is there a myriad of calls for donations that do not address long-term poverty solutions? How much longer can developed nations keep making charitable donations? And will donations keep pace with the growing number of people increasingly unable to provide for themselves?

The percentage of people below the poverty line has decreased from 45.6% to 27.5% in India. But in real terms "with population growth [...] it has proved difficult to reduce the number of poor at a comparable rapid pace. So despite India's success in bringing down its poverty rate, more than 300 million people remained in poverty in 2004-05." (The World Bank, 2011). Poverty, understood as monetary deficiencies, can be fought with transfers of money; however, poverty understood as a sustained feeling of emptiness, voicelessness and a lack of choices, can not. Top-down approaches, traditionally championed by aid agencies, must be complimented with bottom-up approaches that translate into deeply rooted changes in communities.

Microfinance, for example, including microlending and microsavings, are tools that have allowed the credit "unworthy" to compete for capital in the open market. Although microfinance can take on different shapes, from being investor-driven to non-profit and from \$25 dollar loans to several thousand dollar loans; at the core, it addresses three shortcomings of traditional lending. First, through microfinance, lenders can achieve a back up guarantee for lending to the poor, who by definition, lack material collateral. Secondly, the risk of default does not rest on one sole individual's capacity for repayment, but rather on a collaborative network of shared resources. Thirdly, and most ingeniously, microfinance draws on a completely different set of motivations from borrowers to repay their loan, often with collective punishment playing the greatest role, rather than obscure and poorly understood credit scores. Most microfinance institutions (MFIs) have achieved default rates lower than standard credit card loan portfolios, according to Peter Greer and Phil Smith, in their book "The Poor Will Be Glad".



So, here we have impoverished people without collateral, without a credit history, without a stable source of income, and yet whom are extremely reliable in making on-time payments. Maybe it is because for women with five mouths to feed, keeping their microloans is the one chance they can not afford to miss, or maybe it is because being responsible for the common good, especially as it relates to friends and neighbors, compels people to be more responsible. However, the question remains, how does microfinance create value beyond traditional charity?

Donations are most effective in responding quickly to humanitarian crises and natural disasters, but it rarely empowers the recipients toward long-term change. MFIs, on the other hand, create social capital, develop organizational skills within the community, and most importantly, foster trust by strengthening support networks. Microfinance accomplishes all of the above because loans are disbursed to groups of people that count on each other to pay them back on time. This in turn means that the chances of default are greatly reduced, since the support network can respond in case one of the borrower is unable to fulfill his or her commitment. In addition, on-time payments snowball into greater trust among members, allowing the collective to acquire larger loans in the near future.

By all means, microfinance should be promoted as a cornerstone for poverty reduction and development strategies. The rural poor have greatly benefited from microloans destined to fund housing developments, agricultural ventures, manufacturing and commerce initiatives. Communities thrive when they are responsible for their own destiny, when they can make choices and when they are filled with a sense of purpose. It is then, when they become truly empowered for long-term sustainable change.

*Andres Umana is an intern with Profugo. He has a Masters degree in Environmental Management and is a Socio-Ecological Identity researcher & advocate for community resilience through sustainable agriculture, water management and adaptive governance.*

## Let's Talk About Women

By Isel K. Otero-Vera

Recent studies in the academic sector of development work point to the importance of women as leaders and contributors to the transformation of agricultural communities. Such findings are especially relevant to non-profits like Profugo who are doing development work in rural areas. Girls are considered the backbone of most of the rural economies in the developing world and women do a great deal of activities necessary for the community's economic and social subsistence. You can find women working in the fields and off the farms, collecting water and firewood, cooking as well as caring for the sick. These contributions are crucial for the operation of the community's economy and its social life. Nevertheless, women's role in rural communities remains invisible and undervalued because most of their work falls outside of the "formal economy" of paid work. Yet, due to their multifaceted roles in the community, women can be great allies to non-profits that work on sustainable development. Women are valuable partners for NGOs because women's actions have great social impact and can exert their influence in the family.

NGOs can help women by addressing inequalities and allowing them to become active contributors to efforts towards their community's improvement. Despite their crucial role in society, women still remain more vulnerable to poverty than men. Women tend to work longer hours because of women's multiple roles as mother and income earners. Studies show that women do 66% of the world's work but earn 10% of the income(1). Furthermore, 2/3 of the adult illiterate population are women(2). With such a lack of time and education, it is not surprising that women account for approximately 70% of the people living in extreme poverty worldwide(3). Such lack of resources reduces women's opportunity to act on their agency. Women may not have the time or the money to take advantage of their networks to help their family and communities develop. Therefore, social inequalities prevent women from having a greater chance to contribute to the economic, political and social life of their communities. Such disempowerment can be greatly felt in rural areas of developing nations where 70% of approximately 1.1 billion people live on less than one dollar a day(3).

Therefore, non-government organizations have been advised to (4):

- Support policies and implement programs that take into consideration cultural norms that affect women's lives. NGOs are most effective when they see family networks as crucial influential center where decisions about the destiny of rural women are made.
- Providing equitable access to education. NGOs' education program

needs to help develop skills that are relevant in their rural context as well as provide training in non-farm employment. It has been proven that an extra year of education can increase a girl's future income from 10 to 20%. (5)

- Allow access to health information and services
- Increase means to adequate nutrition so as to prevent anemia and allow girls to learn, grow and act.
- Promote the mobilization of the community to provide personal security to women
- Equitable access to land, credit savings and other assets.
- Identify and support local female models that motivate girls to learn and empower them to pursue their goals and to act on their choices.

Investments in programs such as education efforts have a "ripple effect of positive change". Studies show that it decreases HIV/AIDS rates, increases GDP, decrease infant and maternal mortality, and increase civic participation.(3) In fact, 10 nations with the highest gender inequality rank at the bottom of the UN Development Program Overall Human Development Index Survey.(6)

When a development NGO becomes a support to local female leaders they provide them the opportunities to act via education, health, protection of socio-cultural well-being, economic development and liberty to civic engagement. By having these opportunities women regain their role as active agents capable of lifting their communities and contributing in the developing efforts.

Sources:

1. Care Conference Data Sheet March/10/2011 p.7, US Department of Labor and Statist Data 2009
2. UNICEF MDG, Promoting gender, Equality and Empowerment
3. USA Today : Media Planet No.2 March 2011 p.2
4. USA Today : Girls are the Backbone of rural economies Media Planet No.2 March 2011 p.8
5. Plank UK 2009. "Because I am a girl 2009: Girls in the global economy adding it all up"
6. 2010 UN IND Ranking

*Isel K. Otero-Vera is an intern at Profugo and a current undergraduate senior at Bryn Mawr College pursuing a political science bachelors degree. Her passions for music, language, and culture inspire her to travel to India where she hopes to work with economic development and women empowerment.*

## Upcoming Events & News

**December 10, 2011, 2-4pm — Café Profugo, 9 Rittenhouse Place, Ardmore, PA**

Professor Stan LeQuire and Melissa Yates, from Eastern University's Ecotourism Research Project, will lead a discussion on "Support a Village: Use your Tourist Dollars for a Good Cause." Joshua Keeney, who is back from our center of development in Wayanad, India, will also share about his experiences. Refreshments will be served. Please join us!