



THE FORD PROGRAM

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Rural Uganda: Nurturing Social Enterprises

By *Danice Brown Guzmán*, Ford Program Research Associate, and *Jackline Oluoch-Aridi*, Regional Research Programs Manager for East Africa

Small-scale rural entrepreneurs in Uganda have had little access to formal microfinance, but a program growing out of Ford Program supported **savings and internal lending communities – or SILC groups** – in Nnindye is trying to change that by investing in an innovative effort to meet community needs through the power of supportive relationships, as well as funding.

Initiated by the SILC groups in 2014 with the support of the Ford Program and long-time partner Uganda Martyrs University, the Social Enterprise Project (SEP) identifies promising entrepreneurs, providing them with small- to medium-sized loans to grow their businesses. Notably, it is the support and financial guarantee of fellow group members that allow the entrepreneurs to access funds.

For us as researchers, SEP provides a unique opportunity because there are few programs that combine lending with savings groups. In our research, we hope to learn how both the loans and the social and

financial relationship with the SILC groups affect the development of the entrepreneurs' businesses.

Project implementation

The project has had several phases. First, with Uganda Martyrs University, we conducted a baseline study to understand the knowledge and needs of the entrepreneurs and their SILC groups. Next, entrepreneurs received training on how to develop a business plan and were paired with mentors – more experienced entrepreneurs in the same field of work. Finally, they applied for and received their loans.

Currently, the majority of the entrepreneurs – 22 out of 30 – have received their loans and are paying them back. We will conduct an endline evaluation focused on understanding the impact of the loans a year after they were dispersed.

How loans affect entrepreneurs and their community

Early reports collected by Project Manager Francis Sejjiko from some of the first SEP entrepreneurs demonstrate 1) how the loans have helped in the start-up or expansion of small businesses, and 2) how the benefits have spread to the wider community through job creation, availability of needed goods, and support for entrepreneurs' families. We think these stories are illustrative of what we are hearing partway through the project.

- Nzirwanaho Charles, a 30-year-old man new to farming, was inspired by the business training to start a banana farm, using his SEP loan for fertilizer and mulch. With his profits, Charles has been able to support his family and buy a small plot of land, where he plans to construct a home for his family later this year.

- Swahib Kigongo used his own savings along with his SEP loan to start a poultry business. He now has nearly 1,000 chickens producing eggs for sale at market, with demand regularly exceeding his supply. He aims to expand further, doubling his chickens by 2019. With his profits, he has been able to support his family and repay his loan on time, and he now employs five people.

- Christine Mukalazi, a small piggery owner with just a few pigs, was able with her SEP loan to buy four more pigs, which in turn produced 15 piglets. She has been able to sell both some of the piglets and, for pork, the older pigs. Her expanded business has allowed her to repay the loan, employ a casual laborer, and pay school fees for her grandchildren.

Lessons learned

We have learned three major lessons so far:

- 1) In projects with rural adults, literacy is an important consideration. Future business training should be further adapted to the low literacy and education levels of the entrepreneurs and SILC groups.
- 2) Working with the Ugandan microfinance institution posed an administrative challenge. Our project manager has identified a bank whose local branches and relationship with the local university should make it more convenient.
- 3) Loan repayment schedules should take into account the seasonality of farming income, which has challenged some borrowers.

We look forward to exploring these issues and more in our endline study, which will focus especially on the relationship between SILC group members and their chosen entrepreneurs, along with the effect of the loans on SEP entrepreneurs' profits.

A Passion for Community Engagement and Field Research

By Elizabeth Rankin

Hooked on research in the field by her experience in Mali as an undergraduate, Faculty Fellow **Jaimie Bleck** hasn't lost her passion for fieldwork, research, or Africa. Now an accomplished scholar of African politics who has won significant external funding for her collaborative mixed-methods research, she was recently promoted to associate professor of political science.

"I will never stop going back to Mali," she says. "The Sahel is my home away from home, and in my work I keep looking at what is pressing for African citizens."

Two years ago, in recognition of that commitment and her field-based scholarship, Bleck was named senior research advisor to the Kellogg Institute's **Ford Program in Human Development Studies and Solidarity**.

"Ford research is research with impact, born of a deep interaction with organizations working with communities with development challenges," says Ford Program Director **Rev. Robert Dowd, CSC**. "Jaimie is a wonderful colleague in this challenging endeavor."



The program is drawing on Bleck's expertise to incentivize more Notre Dame faculty members to do research with Ford, he explains. In addition, she is developing research guidelines to focus the program's community engagement and encourage research across a range of methodologies and disciplines.

Bleck is enthusiastic about her role.

"I love Ford's explicit commitment to the communities we study, and I enjoy the challenges of aligning the incentives of academics – who always need to be publishing – with the interests of the communities and of involving them and partner organizations in research," she says.

"It's been a lot of fun to brainstorm ways of putting together projects that result in benefits to these different audiences. And of course Notre Dame is a wonderful place to do this because we have built-in partnerships – through the Catholic Church, Catholic Relief Services (CRS), and interdisciplinary institutes like Kellogg."

Currently, the Ford Program is considering how best to grow its research agenda geographically, beyond its East Africa base, while staying true to its bedrock commitment to communities and partner organizations.

"We want to keep focused on having integral human development and the communities

we are researching at the center of all our research,” affirms Bleck.

Ford projects on education and migration

She is herself beginning work on two major research projects within the Ford Program. Each will receive Ford seed funding to leverage for external funding.

A new education and citizenship project in Kenya, in collaboration with Dowd and Ford Program researchers **Danice Brown Guzmán** and **Jackline Oluoch-Aridi**, grows out of Bleck and Dowd’s joint interests in religion, social capital, trust and tolerance, and education and citizenship formation.

As part of a process mandated by Kenya’s 2010 constitution, new national schools with quotas of students from across the country have given researchers fertile ground for study.

“We are hoping to leverage the creation of these schools and the lottery process by which students are assigned to schools to look at two factors,” says Bleck.

The researchers will investigate how the type of school – religious or government-founded – and the diversity of the student body may affect political engagement and knowledge. “That includes impact on trust and tolerance toward citizens of different ethnic groups and religious traditions,” says Bleck, who calls this “citizenship in its broadest sense.”

“These questions about youth and youth perceptions about politics and their fellow citizens are important, especially in the context of the demographic explosion of youth across Africa,” she adds.

In a second Ford project, Bleck is working with Kellogg Faculty Fellow **A. Nilesh Fernando** on new interdisciplinary work that will explore migrants’

“remittance of beliefs” to their families and friends in the Sahel and South Asia.

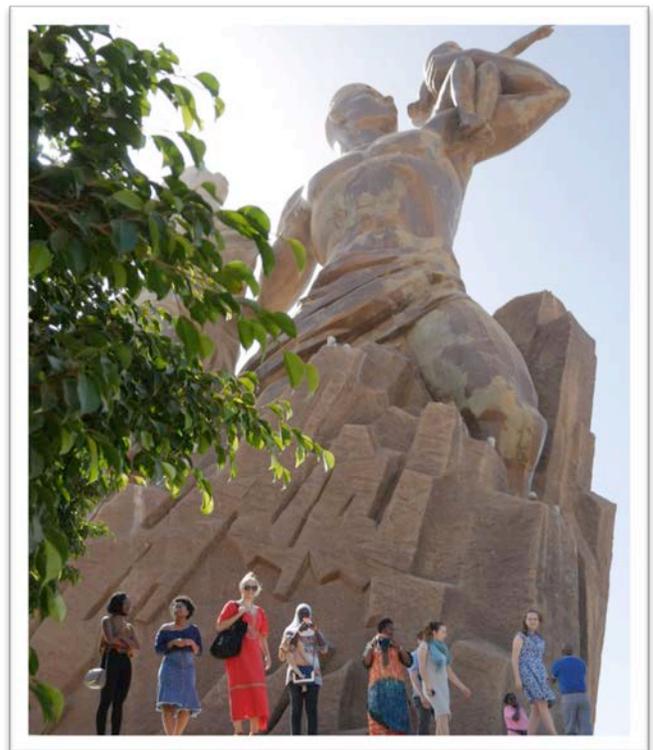
While economic remittances have been widely studied, there has been little attention given to how migration affects attitudes, beliefs, and behavior in an era of unprecedented movement between regions of the world and easy communication by cellphone.

“It’s a new way of looking at migration by studying the impact of beliefs and how they affect choices youth have. We’re interested in how young people share the experience of being abroad with others and how those narratives then shape beliefs on the ground,” Bleck says.

“It is fascinating how migrants paint a picture of their experience and how their stories map onto broader narratives of danger related to migration.”

The pilot project, which has also received Kellogg seed funding, complements other Ford Program work on migration.

Read more about Bleck and her research [here](#).



Microfinance Pioneer Receives Ford Family Notre Dame Award

By Ashley Rowland

Nobel Peace Prize laureate and social business pioneer **Muhammad Yunus** received the **Ford Family Notre Dame Award for International Development and Solidarity** in April in recognition of his groundbreaking innovations in microcredit, social entrepreneurship, and sustainability.

“Muhammad Yunus has devoted a lifetime to developing innovative approaches to poverty alleviation that are informed by the struggles of the vulnerable and marginalized,” said **Rev. Robert Dowd, CSC**, director of the **Ford Program in Human Development Studies and Solidarity**, which bestows the award.

“His efforts have been instrumental in helping people to take control of their own lives, to become protagonists of their own development and that of their communities.”

With University President Rev. John Jenkins, CSC, Dowd presented Yunus with the award at a campus ceremony, which was followed by a wide-ranging Notre Dame Forum discussion between Yunus and Kellogg Faculty Fellow **Ray Offenheiser**, director of the Notre Dame Initiative for Global Development.

Prompted by anger at loan sharks taking advantage of poor families in his Bangladeshi town, Yunus began making tiny loans out of his own pocket to impoverished women seeking to start their own businesses.

That was more than four decades ago, but his pioneering work in microfinance – which earned him the Nobel Peace Prize in 2006 – is still being used as a model for extending credit to some of the world’s poorest people, thereby helping them lift themselves out of poverty.



Yunus said that poverty isn’t created by the poor, but by a system of economics that siphons money to a tiny number of wealthy elites.

“Fix the system,” he told the audience of several hundred, including members of the Ford family, who helped to establish the Ford Program.

Yunus has in recent years expanded his focus to promote social businesses as sustainable alternatives to long-term aid. He is the author most recently of *A World of Three Zeros: The New Economics of Zero Poverty, Zero Unemployment, and Zero Net Carbon Emissions* (Public Affairs, 2017), which served as a focus for his engagement with students during his visit to Notre Dame.

“Much in his approach to his work and his philosophy resonates very strongly with our Ford Program mission,” Dowd said. “He demonstrated a certain belief in vulnerable and marginalized people by loaning them money. When someone believes in you, then you can begin to believe in yourself.”

“I think his message really says something about the importance of finding effective ways to promote integral human development. He inspires us to conduct research that helps us understand our potential as individuals and accept responsibility for the well-being of others.”

Read more about Yunus’s campus visit [here](#).