A Story of a Savings Group: What we can Learn from Them

Cooperative Innovation Session
Mount St. Vincent University
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First, attendance and by-laws
Then, enforce the rules
Members contribute to the social fund
Each member saves according to their capacity
Keep books that members can handle

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Ground in community ownership
Manage risks with transparency
What is Community-Based Microfinance?

• Member capital
  – Profits to members
  – Savings. Focus on building income but particularly assets and equity
  – Access where there is very little

• Member control
  – Ownership, decision-making, governance
  – Capacity of members to make informed decisions
Innovative in Any Context

Both the results....

• Enormous scale and outreach
• Access in remote, rural areas
• Higher returns on assets
• Higher savings to loans ratio

and the process....

• Hot money is internal funds (members’ own savings and shares).
• Studies and experience show that members safeguard own money more than external funds (cold money)
• Relationship between hot and cold money is critical for social cohesion and business model
Some Developments to Watch

• Group accounts through mobile banking
• Savings groups linked to banks
• Producer associations and linking to markets
• Savings groups as a base for social programs such as mosquito nets, solar lamps, literacy, HIV-Aids programs
• Oral bookkeeping
Thank you

- http://thesavix.org/projects/search
- www.microfinancegateway.org
- http://coady.stfx.ca/education/
- nancilee@eastlink.ca
- www.nancilee.ca