

Speaker brings microfinancing message to Saskatoon

BY JOANNE PAULSON, THE STARPHOENIX APRIL 9, 2009

Jessica Jackley has made it a small world, after all.

Jackley and co-founder Matthew Flannery have created a way to connect lenders with small borrowers across the globe -- mainly in developing countries.

The system avoids some of the strictures of lending institutions and assists entrepreneurs everywhere.

Via a website, their company, Kiva, connects individual lenders with entrepreneurs needing small loans. Jackley and Flannery's concept of social entrepreneurship has attracted the attention of Forbes magazine, Frontline on PBS and Oprah Winfrey, among others.

Jackley discovered the effects of micro-financing while working in rural Kenya, Tanzania and Uganda, when she was with the Village Enterprise Fund and Project Baobab.

She combined that experience with her Stanford MBA and a bachelor's degree in philosophy and political science from Bucknell University to found Kiva, at kiva.org.

"Kiva mixes the entrepreneurial daring of Google with the do-gooder ethos of Bono," commented Forbes magazine in its article of early 2008.

Jackley brought her microfinancing message to Saskatoon on Wednesday in a speech organized by the Business and Professional Women's Club at the Travelodge.

In a later interview, Jackley said it's possible to adapt the idea on a local basis.

"There have been peer-to-peer lending websites in the U.S.," such as prosper.com, said Jackley. "Kiva will be launching in North America within the year."

Such an idea could "absolutely" work in Saskatchewan.

"We partner with lending institutions all over the world, so if there's a lending institution that you could partner with here, theoretically there's no reason why it couldn't happen."

Loans would have to be larger in the developed world than in developing nations, she noted.

"Even now on the sites, certain loans are a thousand dollars, or even many thousands of dollars if they're for groups. At the other end . . . there are \$75 loans for some people.

"It would be interesting to see how lenders respond."

Kiva works with lending institutions in 50 countries and many of them serve primarily women. As

many as 75 to 80 per cent of the entrepreneurs on the site are women, said Jackley.

Kiva has taken off since its founding in late 2005. So far, \$67 million has been loaned by more than 473,000 lenders. The average loan is just over \$422.

One of Kiva's big boosts came from Oprah, on a show Jackley shared with former U.S. president Bill Clinton. After that show, "there was so much traffic, it shut down the site for several days," said Jackley.

Monica Kreuger, president of Global Infobrokers Inc. and vice-president of the Business and Professional Women's Club, said the concept is worth investigating for Saskatchewan. There are many small-loan opportunities in the province, but all of them require the traditional help of a financial institution.

That means people need to undergo credit checks and qualify for such loans. With micro-financing, the credit issue lessens.

"We know there's a gap for people who don't have good credit reports, or credit at all, or assets," said Kreuger. "We need another vehicle. There absolutely is a need.

"We're missing that low end. It's certainly a sense of empowerment to get people into their own futures."

Kreuger can see using the Kiva model locally and provincially. It would benefit many members of society, such as immigrants, youth, those who have gone bankrupt and First Nations people.

"My philosophy is we're all global citizens of the Earth and those who don't have access to the same tools, we need to make sure they do."