

Exercise for Chapter 8 Financial Landscape Assessment

One mistake that can easily be made, especially if we focus on needs rather than assets, is to assume that few if any financial and non-financial services exist in a community we want to serve. As a result, we might fail to learn about what is already occurring in our ministry communities. Or, we may only ask surface-level questions that do not penetrate beyond biased responses that poor people might give us as outside development workers.¹ For example, if we had only talked with Prudence, the low-income retailer described in Chapter 8 of the book, for ten minutes, we would not have had time or the relationship for her to tell us exactly all of the ways that she managed her money. Instead, most likely she would have only talked about her loan from an outside organization, Faulu Kenya, and her ongoing need for business loans, since that is what outsiders have historically seemed most interested in discussing. But, so much more is actually going on!

Thus, it is absolutely crucial that microfinance and microenterprise development workers do a thorough “landscape assessment” of the services that might be operating in the community.² Introducing new services can undermine existing services and assets and can do harm to the very poor people they seek to help. For example, introducing loans on very generous terms can reduce people’s desire to save and can damage or ruin existing ROSCAs and ASCAs. It is vital to learn what assets and services God has already enabled in the communities we want to serve.

Landscape assessments do not have to be fancy. They really just amount to finding out what is already happening in the target community, what people’s attitudes are towards various services, and where might there be existing gaps that the ministry could address. As an exercise, do a simple financial landscape assessment of your target community by having somebody ask people about the financial services they are using. You may use the table the end of this chapter as a guide. If you are interested in non-financial services, you can adapt the table to explore the presence of non-financial services listed after Figure 8.7 in Chapter 8 of the book.

This is a very important moment to apply the Integral Mission Principal: The global body must function in such a way that the local church is able to use its gifts to engage in

integral mission: proclaiming and demonstrating among people who are poor the good news of the kingdom of God in a contextually appropriate way. This means that the local church (or organization) in the Global South should be the ones doing the interviews in the community for this landscape assessment. They understand the local culture better than outsiders, and it is important from the very outset that they are seen as being the embodiment of Jesus Christ in their community. The role of the outsiders in this landscape assessment is a supportive rather than a frontline role: providing encouragement, prayer, technical assistance, and appropriate input when asked.

If you are a missionary working in a frontier region where there is no local church, you may have to play a more hands-on role. But even in this case, we still encourage you to use local people to conduct this landscape assessment as much as possible.

After you have completed your financial landscape assessment, answer the following questions. If you chose to do a non-financial services landscape, you can adjust the questions accordingly.

1. In what ways could your microfinance ministry strengthen the existing financial systems that people are using for savings, loans, insurance, or remittances?
2. Name several ways that your microfinance ministry could help to make the existing financial systems more widely accessible? For example, sometimes people are simply not aware of existing services, so your ministry might consider ways of raising awareness.
3. Where are there gaps in the current financial landscape that your microfinance ministry could help to fill? For example, if people express an interest in savings and credit associations (SCAs) but there are none in the area, you might consider promoting the formation of a SCA.

Financial Service	Who Uses This?	Who is Left Out?	Why Do People Choose this Service?	How Does This Service Help Them?	How Could This Service Be Improved?
Family & Friends					
Shop Owners					
Moneylender					
Savings Collector					
ROSCA					
Time-Bound ASCA					
Non-Time-Bound ASCA					
Microfinance Institution					
Bank					
Other					

Financial Services Landscape Assessment

¹Some poor people have a marred identity in which they no longer believe that their assets are meaningful and helpful. In addition, some poor people have become accustomed to well-meaning outsiders providing hand-outs of goods and services. Thus, they might see an outsider doing research as another in a long line of people or organizations who will make more hand-outs to them, and they will not tell the outsider anything that they feel might make those hand-outs less likely. Hence, considerable care needs to be exercised when considering who is the best person to conduct a survey and how they present themselves to the community. In addition, it is important for researchers to do their best to verify the answers they are getting by using multiple sources of information.

²F.J.A. Bouman and Otto Hospes, "Financial landscapes reconstructed," in *Financial Landscapes Reconstructed: The Fine Art of Mapping Development* eds. F.J.A Bouman and Otto Hospes (Boulder, CO: Westview Press, 1994); Graham Wright, *Understanding and Assessing the Demand for Microfinance* (Nairobi, Kenya: Microsave, 2005).