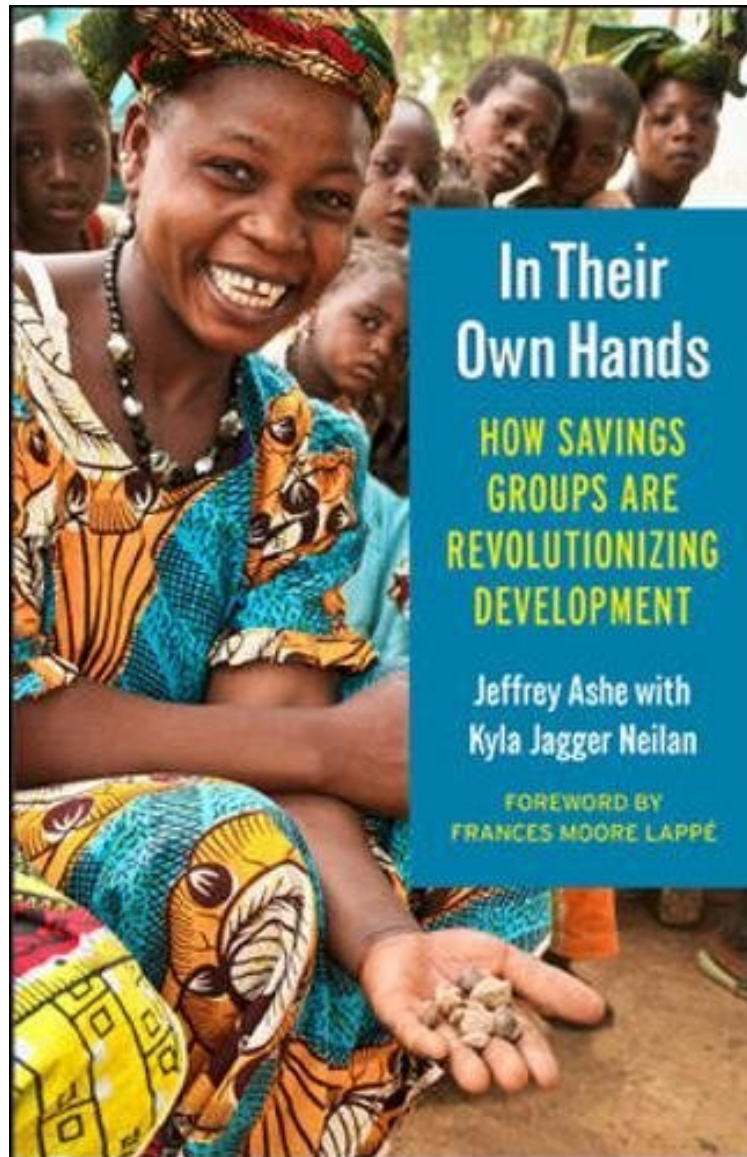


(Get free) In Their Own Hands: How Savings Groups Are Revolutionizing Development

# In Their Own Hands: How Savings Groups Are Revolutionizing Development

Jeffrey Ashe, Kyla Jagger Neilan

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**Jeffrey Ashe, Kyla Jagger Neilan : In Their Own Hands: How Savings Groups Are Revolutionizing Development** before purchasing it in order to gage whether or not it would be worth my time, and all praised In Their Own Hands: How Savings Groups Are Revolutionizing Development:

5 of 5 people found the following review helpful. Enjoy! (Full disclosure By Anthony C. Gooch Anyone with an

interest in economic and political development will want to read and re-read this book and have it in their library. It is of special interest (and very challenging) for those of us who have chosen microfinance and other forms of access to traditional financial services as important instruments for enabling the "poorest of the poor" to find their way out of poverty. Enjoy! (Full disclosure: Jeffrey Ashe, a pioneer in microfinance, was one of my professors at Columbia's School of International and Political Development--SIPA.)

1 of 1 people found the following review helpful. The new Bible for work with poor people

By Mal Warwick

In an even reasonably rational world, *In Their Own Hands* would serve as the Bible for development professionals and the basic textbook for students, philanthropists, faith-based activists, and business executives who aspire to improve the lives of poor people. Though this book advocates a particular methodology to promote financial inclusion, it's the best overall introduction I've ever read to working with poor people in the Global South. If you have any interest in this topic, whatever your background or perspective, you owe it to yourself to read this brutally honest book.

author of "In Their Own Hands," about working with poor people

Jeffrey Ashe

*In Their Own Hands* represents the distilled wisdom Jeffrey Ashe has acquired over half a century of work with poor people across the globe. Ashe's experience in fighting poverty began in his mid-twenties as a Peace Corps Volunteer in rural Ecuador and has continued seamlessly through the ensuing decades. During most of that time, he was one of the world's leading practitioners of microfinance, with a career that began working for Accion International in Latin America several years before Muhammad Yunus' rediscovery of the concept in Bangladesh. Then one fateful evening thirteen years ago at Brandeis University, where Ashe is now a faculty member, he attended a lecture by a woman named Marcia Odell, director of the Women's Empowerment Program at Pact, who had introduced a novel approach to financial inclusion in rural Nepal. The method she described, village savings groups, had originally been developed by CARE in 1971 in Niger, but it was Odell's presentation that brought it to the center of Ashe's attention. Savings groups struck him as a brilliant answer to the shortcomings he had witnessed in microfinance. Ashe finalized a contract to evaluate her program in the field, and soon afterwards he began designing a similar effort to introduce into the desperately poor West African nation of Mali. Now, little more than a decade later, due in no small part to Ashe's influence, there are savings groups with ten million members in at least a hundred thousand villages in sixty-five countries. The leading NGOs that have spearheaded the effort—Oxfam America, Freedom from Hunger, CARE, Catholic Relief Services, Plan International, the Aga Khan Foundation, and Pact—have recently dedicated themselves to a collaborative effort to reach fifty million people by 2020. The key to understanding savings groups is that they do NOT represent a method to end poverty, as some of their more extravagant boosters have suggested. As Ashe explains, joining a savings group will not lift many out of poverty; no development initiative can deliver on that promise, but regular savings and a reserve of cash can help reduce life's uncertainties. To those of us who enjoy privileged lives in the Global North, that benefit may seem trivial. However, to the global poor, it can seem a lifesaver, which is why savings groups have spread so readily and persisted for so long in so many countries. In Mali, Ashe notes, despite a coup, an insurgency in the north, a severe drought, an influx of refugees, skyrocketing food prices, limited opportunities for work outside the village, and faltering institutions, few Saving for Change groups have disbanded while many new groups have been trained by volunteers. Similarly, groups in Zimbabwe survived hyper-inflation, and groups in Nepal thrived after the withdrawal of outside support and a Maoist takeover of the region. Ashe cites nine principles needed for success that can be applied to any economic development effort, not just village savings groups:

- \*\*Start small to learn, but plan for scale.\*\*
- Simple is better than complex.
- \*\*Build on what is already in place and already widely understood.\*\*
- Design for change that persists long after outside agents leave and that spreads from village to village without outside staff.
- \*\*Keep costs low.\*\*
- Give nothing away.
- \*\*Insist on local control.\*\*
- Establish high performance standards and insist on meeting them.
- \*\*Build learning and innovation into program design.

Somebody should carve these precepts onto thousands of granite tablets and erect one set above the doorway of every NGO, every development agency, every university, every multilateral institution, and every business that seeks to improve the lot of poor people around the world. For the record, Jeff Ashe and I have been friends for nearly fifty years, since we met in a Philadelphia hotel room for Peace Corps orientation. We worked together closely in Peace Corps training in Puerto Rico and, after a year in-country in Ecuador, we teamed up with several fellow Volunteers on a project Jeff inspired to help implement that country's new agrarian reform law. There are few people anywhere in the world for whom I have more respect than Jeff or longer experience to justify it.

0 of 0 people found the following review helpful. A compelling and effective approach to poverty reduction

By Terrence Isert, ProMicro Consulting LLC

A compelling Approach to poverty reduction

The idea that poor people and their families can save anything meaningful seems as ludicrous as the assumption by Muhammed Yunus in 1976 (*Price of Dream*) that small amounts of credit could help build poor families start businesses in Bangladesh. Jeff Ashe and Kyla Neilans' *In Their Own Hands* demonstrates both. In fact, the poor can do so effectively, on their own and with little to no outside help, a departure from the approach of the microfinance movement. When NGOs train participants and then get out of their way --- these rural and urban groups perform best. Women and men in each group manage themselves and their money more effectively than constant NGO-interaction or supervision. The savings group movement enables not only the poor but the very poor to do what they could not do before: save first, then borrow from each other and continue the process over and over again without help from the outside. Mr. Ashe's chronicles his own personal journey from the

Peace Corps volunteer forming solidarity groups in Guatemala to microfinance practitioner in Boston. He admits his own misgivings with the micro-lending movement (see this 2007 SSIR article here) and its microfinance institution-building efforts in the 1990s. He poignantly tells of his own sartorial discovery of these groups thriving in Nepal and his own efforts afterwards to launch them in some of the harshest climatic, economic and political environments across Africa and Latin America. The novel is a compelling read for anyone interested in exploring a poverty-reduction model that is easily scalable, highly-efficient, low-cost to implement and teaches people and their communities to help themselves by putting the power of choice in their own hands. Terrence Isert, ProMicro Consulting LLC, consulting that promotes small enterprise, community financing strategies and local economic growth initiatives

Two and a half billion people worldwide, most of them desperately poor villagers, need a better way to save and to borrow. Even the most innovative banking institutions can't reach them; savings groups can. In savings groups, members save what they can in a communal pot and loan their growing fund to each other for their short-term needs. Jeffrey Ashe and Kyla Neilan illustrate how these savings groups form and function and how little outside support is actually required for their success. Drawing on decades of Ashe's personal experience, this book describes how he developed Saving for Change, which leveraged the wisdom and strength of group members to train and establish new groups. This model has impacted the lives of 680,000 people across five countries. Savings groups are a catalytic innovation that bypasses subsidies, dependency, and high costs while effectively reducing chronic hunger, building assets, and empowering the community. Today, savings groups have 9 million members around the globe with minimal support, membership could grow to ten times this number.

I have known and admired Jeff Ashe for almost forty years. I consider him along with Muhammad Yunus one of the most innovative practitioners of the global microfinance movement. He was my principal mentor in developing the methodology of Village Banking. When in the year 2030 the world celebrates the end of severe poverty on our planet, Jeff's tireless efforts to promote rural savings groups will be heralded as the single most effective, bottom-up strategy for leaving nobody behind. And for the next generation of microfinance practitioners, *In Their Own Hands* will be justly recognized as the best end-poverty textbook ever written. John Hatch, founder of FINCA International and cofounder of the Microcredit Summit. Sometimes the most powerful ideas are the simplest. This book shows how a simple way for communities to accumulate savings has taken off with no new technology nor costly microfinance infrastructure. *In Their Own Hands* turns upside down the most common assumptions about what poor households need and can accomplish. Jonathan Morduch, Professor of Public Policy and Economics, Robert F. Wagner Graduate School of Public Service, New York University. Microfinance is significantly more effective than most global poverty alleviation efforts. Successes in Latin America and Bangladesh caused social entrepreneurs to try to apply its lessons to support low-income entrepreneurs in the United States. This book documents ways to make capital even more accessible than traditional microcredit by building entirely on the capacities of local community leaders. Mary Houghton, cofounder of ShoreBank Corporation. Most books on community finance are either anthologies or manuals. This one is neither. A radical departure from other works in the field, *In Their Own Hands* traces the long sweep of financial empowerment via histories viewed through the single lens of one author. The book is essential for any practitioner interested in helping the poor transform small amounts of money into meaningful ways of changing their lives. Kim Wilson, Lecturer, International Business and Human Security, The Fletcher School of Law and Diplomacy, Tufts University. Jeffrey Ashe and Kyla Neilan's new book, *In Their Own Hands*, presents a stunningly simple, thoroughly tested, and visionary new way for the poor to save and borrow. In Mali, the outcome was dramatic: less hunger, ownership of more livestock, and more clout for village women. The remarkable difference with savings groups is how they are able to achieve scale not through building financial institutions as microfinance has done but by catalyzing the problem-solving capacity of the poor. The ideas in this book have the potential to turn the development field on its head. Paul Polak, coauthor of *The Business Solution to Poverty* and Chairman, WinDhorpe International. I can think of two good reasons to read *In Their Own Hands*. One, if you give a damn about extreme poverty, here is another practical tool in the arsenal of financial inclusion. Two, amidst all the chatter about listening to and capturing the wisdom of impoverished communities and indigenous peoples, this book is a road map on how to do it. The authors' economic development career reveals a professional courage from which we can all learn. Jonathan C. Lewis, founder and Chair, MCE Social Capital. Since I met Jeff in Ecuador in the 60s, he's been turning conventional wisdom on its head. He does this now for the financial sector and for the development community grown too comfortable with in-the-box thinking. The title of the book says it all: *In Their Own Hands*. Those of us who want to help need to break from the past, trust the impoverished, and get out of the way so that they can empower themselves to save and be agents of their own development. John Hammock, former President, Accion International and Oxfam America. Modern savings groups are an improvement on the self-help tools poor people have always used to manage their money. This short and clearly written book shows how over 100,000 villages in the developing world have come to use and value such groups and why it's important to spread the message to millions more. Stuart Rutherford, author of *The Poor and Their Money*, coauthor of *Portfolios of the Poor*, and founder of SafeSaveAbout the Author: Jeffrey Ashe

is a microfinance pioneer and the founder of Working Capital, once the largest microfinance institution in the United States. President Clinton awarded Ashe the first Presidential Award for Excellence in Microfinance. He currently teaches at Columbia and Brandeis Universities. Kyla Jagger Neilan holds a masters of public administration from Cornell University and is currently an emergency and early-recovery program manager for Catholic Relief Services in the Central African Republic.