Microfinance for Decent Work: Action Research 2008-2012

International Labour Office
Geneva

Overview

Microfinance for Decent Work (MF4DW) is action research that aims to build knowledge on the effects of innovations on microfinance clients' livelihoods. Launched by the ILO Social Finance Programme in 2008, the MF4DW action research began by identifying specific work-related challenges among microfinance clients and, to address them, implemented tailor-made innovations with microfinance institutions around the world. The MF4DW action research applied an experimental research design in order to measure the impact of these innovations overtime.

At the outset of the MF4DW, each participating MFI conducted a diagnostic survey among 200 of its clients to determine their most pressing work-related challenge. The analysis was guided by **ILO's vision of decent work for all** and its goal to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. Within this framework, the diagnostic determined **child labour**, working conditions, formalisation, job creation and productive employment, risk management/ over-indebtedness, and women's empowerment, as key challenges keeping microfinance clients from obtaining decent work.

Each MFI then selected a key decent work challenge and implemented an innovation to address it. Changes at the client level were captured through a series of client surveys. The ILO, along with research partners, established impact through a mix of econometric methods.

MFI Profile:

تمويلكم tamweelcom
الأردنية لتمويل المشاريع الصغيرة
Jordan Micro Credit Company

MFI Partner: Tamweelcom Jordan Micro-Credit Company

Country of Operation: Jordan

Organizational Mission: To provide financial and non-financial services to the low-income and productive-poor to improve their social and living standards by adopting and implementing international microfinance best practices.

Current Legal Status: Non-Bank Financial Institution

Types of Products offered: Loans, Insurance, Trainings/ Consulting

Number of Active Borrowers: 70,817

% of Women Borrowers: 96.1%

Total Number of Active Savers: 0

Number of Branches: 13

Geographical Dispersion: National

Size of Gross Loan Portfolio (in USD$): 26.6 million

**2011*

Tamweelcom's Innovation

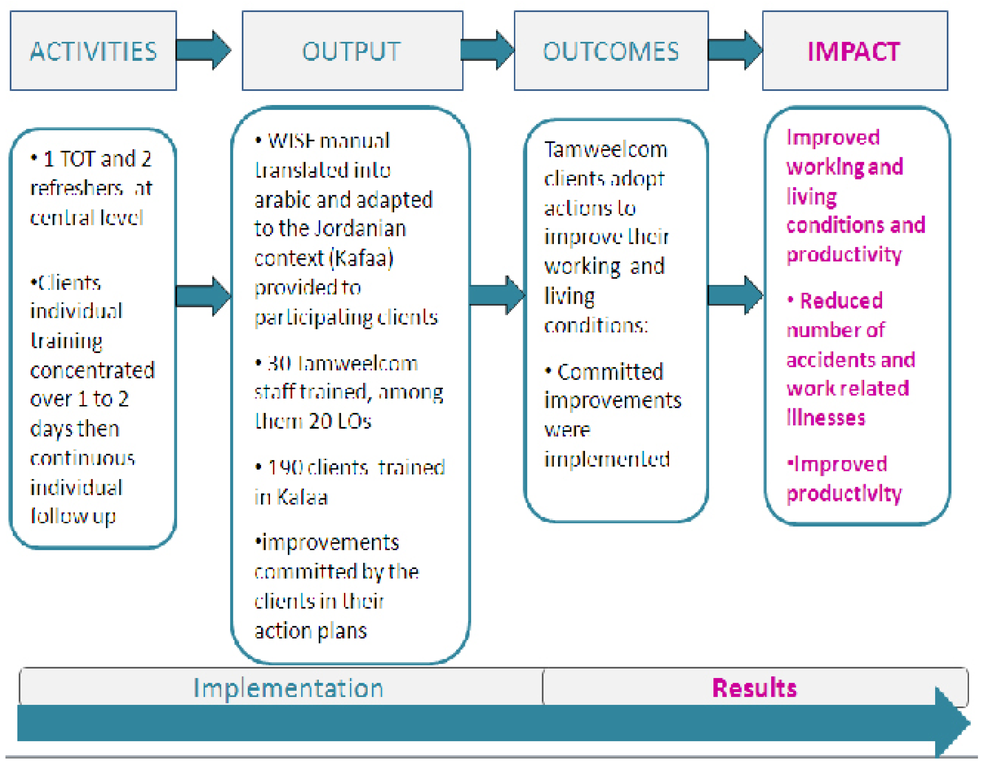
Addressing Occupational Safety and Health for Improved Safety Performance, Competitiveness and Profit for Client Microenterprises of Tamweelcom

Innovation Details

Tamweelcom addressed productivity and occupational safety and health by a) creating awareness raising campaign for their clients, b) adapting the ILO WISE methodology (Work Improvement for Small Enterprises) to the Jordanian and microfinance context, c) training and capacity building of staff on how to improve working conditions and productivity through Kafâa (training on efficient methodologies), d) training of clients by loan officers, and e) implementing a result's based incentive system for staff and clients. Tamweelcom's trained loan officers built on local practices, encouraged exchanges of experience among clients and promoted their involvement. Tamweelcom expects that the awareness campaign combined with Kafâa training will reduce the total number of occupational hazards, improve productivity, and result in an improved relationship between client and MFI in the long term reflected through the increased number of clients, outstanding portfolio and loyalty.

Tamweelcom conducted one training needs assessment and the baseline survey for 543 clients for the target group in Ashrafia, Hussain, Irbid, Ruseifah, Madaba and Al Bayader. Tamweelcom has shifted to qualitative analysis and will continue with further focus groups discussions, descriptive statistics and individual case studies.

Result's Chain for Tamweelcom



Tamweelcom's Results

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For more information:

ILO MF4DW Action Research
www.ilo.org/socialfinance

Tamweelcom
www.tamweelcom.org