A REPORT ON THE TRIP OF STUDENTS AND FACULTY FROM THE COLLEGE OF CHARLESTON’S TO EL ZURZULAR, HONDURAS DURING SPRING-BREAK 2011.

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“...best spring break of my life.......we did an incredible thing, and if I could redo it all, I wouldn't take back a second of the time I spent with you guys” from a Dan Ladenheim’s post commenting on his experience in El Zurzular, Honduras.

I. OVERVIEW

In a coordinated effort between students and faculty of the College of Charleston and Global Brigades’ organization, nineteen students from different majors traveled to Honduras during the spring-break of 2011 to live a unique learning experience. The trip was coordinated by Dr. Jocelyn Evans. It was an important component of the interdisciplinary seminar course on financial intermediation and Latin American humanities. The course is cross listed as ECON 360 and LACS 200.

Prior to the trip, students attended lectures on humanities related, international business and microfinance subjects. The lectures were taught by Dr. Evans, Dr. Mueller and several guest speakers. Specifically, preparation for the trip by the members of the College of Charleston’s

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1 The development and launch of the CoC Micro-Finance program was made possible by a US Department of Education Title VIB grant and administered by Dr Rene Mueller. Partial funding was provided by the Center for International Education and by the LACS program of the CoC.
microfinance club included weekly meetings where they learned more about Honduras’ economy, culture, social aspects and history. In addition, students were organized in work teams prior to departure to 1) produce informational and educational material, such as posters and power point presentations, and 2) work on the logistics of the brigade.

After arriving, the group worked in a coffee growing community, El Zurzular, located at approximately two driving hours from the global brigades’ compound. The five days’ activities for the group in El Zurzular included: a meeting with the board of the community bank (the Caja in Spanish), a series of one to one interviews with members of households, a meeting with the community’s women, and a final meeting with the entire community. From these activities, students learned a whole set of issues, including the prevalent lack of opportunities, low levels of schooling and scarce access to health services in the community. In the process, students had the opportunity to learn how microfinance works in practice, and how seemingly tiny amounts of money can make a difference on people’s lives.

During the meetings and households’ interviews, students explained to people the advantages of microfinance and the necessary steps to become members of the Caja, and advocated for a greater participation on the development of the community bank. Using basic concepts and simple examples, they explained how the Caja could provide with financial services (microfinance) not readily available and stressed the benefits of savings. They illustrated how, with the possibility of getting loans at relatively low rates, people could avoid predatory lending, which is exercised by middleman in coffee’s markets.

An important component of the learning experience was to create incentives programs to increase the number of members of the Caja and to stimulate savings. The group donated $2,100
to fund three incentives programs. The first one was a savings program to open individual savings accounts for women and children, with a contribution of 50 lempiras per new savings account; it was expected an equal contribution from the accounts openers. The second one was a general savings program, where funds should be allocated to match up to 250 Lempiras. The requirement was that people save the same amount in the next six months. The initial investment to join the Caja is 550 lempiras plus a monthly fee; to increase the Caja’s memberships, the group committed 250 lempiras under the condition that each new member have to invest the remainder 300 lempiras.

I. MICROFINANCE IN HONDURAS

During the spring-break of 2011 nineteen students of the College of Charleston —majoring in Economics, Business Administration, International Business, Sociology, Communications and Media Studies, and a double major in Economics and Philosophy, and three MBA’s— traveled to Honduras to live a unique learning experience. The trip was coordinated by Dr. Jocelyn Evans and it was an important requirement for the interdisciplinary seminar course on financial intermediation and Latin American humanities. The course is cross listed as ECON 360 and LACS 200.

1. Preparation for the Trip

1.1 Weekly Meetings

The members of the microfinance club held weekly meetings to learn about the Country and to work on the logistics of the trip. In the first meeting Dr. Rene Muller, the director of the International Business program in the School of Business, and Dr. Evans shared with the group their experience from their winter’s trip to the community to be visited. Dr. Muller provided with
an overview of the country where she discussed the history, culture, and economic characteristics of Honduras society. Students learned that Honduras is the third poorest country of the Western hemisphere after Haiti and Nicaragua where a large segment of the population lives with an average income per capita of less than two dollars per day. Dr. Muller also reviewed some of the most important Human development indicators such as schooling, access to health services, life’s expectancy, access to potable water and sanitary services. In following meetings, students worked on the logistics of the trip and formed working groups. Each group produced a series of informational and motivational devices that were used in the community’s meetings. They worked hard and applied a great deal of imagination and their knowledge of finance, marketing, and business practices to produce flyers, posters and power point presentations. These materials were translated into Spanish by Dr. Sandoval-Hernandez and distributed among community members. Figures 1 and 2 are examples of these materials.
1.2 Learning Goals and Outcomes

As mentioned above, the trip to Honduras was the core component of an interdisciplinary seminar in financial intermediation and Latin America Studies. The course contributes to the College of Charleston pursuit of internationalization of its academic curricula as stated in its strategic plan. Likewise, and in line with the mission of the School of Business, this course facilitates learning experiences for students to increase their global awareness and be socially responsible in a global economy.

The innovative pedagogical approach adopted in this class included (i) lectures and class discussions examining: the causes and scope of poverty, the potential of social investment to improve the standard of living and to achieve higher economic growth, and the role played by microfinance in lifting millions out of poverty, (ii) interactions with micro-lenders, micro-
entrepreneurs, and community’s members from a remote village in Honduras, and (iii) the development of a project incorporating the field experiences and practical recommendations to alleviate poverty. In the project students used economics and finance analytical tools, within the framework of the local culture and social characteristics of the community.

In preparation for the field experience, students were required to read the book “Portfolios of the Poor: How the World’s Poor Live on $2” by Collins, D., Murdoch, J., Rutherford, S., and Ruthven, O. The book is fairly balanced with basic theory of finance and economics, empirical applications, and case studies on microfinance in poor countries. Once students completed the readings assignments, we were confident they acquired the analytical tools to better understand how microfinance works in the real work.

A week before our departure, students were required to attend a webinar presented by the microfinance global brigades’ coordinators in Honduras. In this webinar, people from global brigades provided with a detailed itinerary, a comprehensive information on El Zurzular, (the community to be visited by our group), and a list of recommendations on safety and cultural sensitivity.

2 Activities in El Zurzular

We depart to Honduras on March 6, 2011 arriving to the global brigades’ compound in the evening. Throughout the week, we held nightly group meetings lead by Daniel De Valdenebro, the microfinance global brigades’ coordinator. Followed by a detailed description of the next day activities, the group had the opportunity to discuss extensively their daily experiences.

On the first day, we met with the Caja’s board. The board members introduce themselves to the group and offered an update of the Caja’s activities. In January, another brigade suggested to ad
women to the board, the board adopted the suggestion. At the time, the Caja had substantially increased its deposits due to an injection of capital from three brigades, but they still had only made two loans. We encouraged them to make smaller loans for non-coffee purposes to allow women to participate in the intermediation process. We distribute some handouts, including loans application forms in Spanish, and flyers with information and ideas on how to become more financially educated.

The next two days the group visited community households to do business consultations on their microenterprises. In these visits, students interacted with people, asked questions on people current situation, and invited people to join the Caja. Elise Lasko, a student attending this trip, offered a detailed description of these and other experiences in her comments in the School of Business Microfinance Blog http://blogs.cofc.edu/microfinancebrigadesb/2011/02/08/experience-how-the-other-half-lives/#comment-11.

In summary, the trip exceeded all expectations. It was a life-learning experience where students gained awareness on the struggle people living in extreme poverty endures every day. They also learned how their own contributions, both monetary and educational, could make a difference on these people’s lives. We were thrilled by the students’ generosity, empathy, and genuine interest on the fate of these peoples.