

Open and Distance Learning in Microfinance

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Introduction

Human Resources development and training are key priorities for developing successful microfinance programs. Using IT tools to reinforce MFIs' capacity building is now possible and should be considered more as an effective training tool. After a euphoric period when it was thought that IT could revolutionize the world by itself – and people were more concentrated on tools' development rather than the content to be delivered through these tools - we are now at a mature stage where the technology is used for disseminating relevant information to targeted people at the right time.

The field of training has considerably evolved with the introduction of IT during the last ten years. A new model of delivering resources and teaching skills has emerged through what we call now the "open and distance learning" process. This article will take a look at open and distance learning with a focus on the practice in developing countries.

Two cases will also illustrate the emergence of open and distance learning for the microfinance industry. These two experiences led by microfinance service providers in Europe and USA could be used to deploy an open and distance learning model serving thousands of Microfinance Institutions (MFIs) worldwide.

Changes in education are likely to mean that ICT skills will become the 'indispensable grammar of modern life' and a 'tool for lifelong learning'

(UK Department for Education and Skills, 2000).

Section 1 – Overview of Open and Distance Learning Concept

The term open and distance learning embraces an increasingly diverse range of education and training activities. The most important common feature of these methods is that course contents, information, data, the learning instructions as well as the means for evaluating and assessing acquired knowledge are printed or recorded on different media in a methodically elaborated way: e.g. on printed materials, audio and video, computer memories, floppy discs, CDs. The course material can also be available via information networks. These media - among which the dominant ones are still paper-based materials - allow the effective independent study of trainees.

The role of the trainer is inevitable in the distance learning process, although this role differs basically from that in traditional education. It is not the trainer who is the main transmitter of course content since the latter is available on different media prepared by other experts, using efficient pedagogical methods. The task of the trainer is to answer questions, to motivate trainees, to promote, facilitate and - if necessary - to control their learning, to establish co-operation and interaction between the trainees, and to evaluate the acquisition of knowledge. In this educational form, the training process is clearly separated in two parts carried out in general by different groups of experts: the first one is the preparation of course material, this is a long-lasting activity of expert groups, and the other is the process of course delivery, which is the task of other groups of experts (tutors, course organisers).

The application of curricula transmitted by different media, the method of learning without the presence of a lecturer, the changed role of the teacher, and the dominance of independent learning offer a degree of freedom and flexibility for the trainee - regarding the content of the curriculum, and the pace and place of learning - that is impossible in traditional education. This

flexibility does not only allow the trainees to actually take part in distance education - namely to learn geographically far away from his/her teacher and school - but, relying also on the pedagogical potential offered by the use of different media (interactivity, motivation, demonstration, methodically elaborated course material, thorough tutoring, quality control), flexible learning methods can be applied as a particularly effective means of human resource development and can also be effectively combined with traditional education.

An important feature of distance education is the efficient combination and interaction of traditional academic components: scientific and practical knowledge/skills, pedagogical values, cultural context, background and activities, and similar elements to the process of industrial production: needs analyses, investments, allocation of resources, planning, economy, team-work, organisation, good structure, systematic activity, quality assessment and control, marketing, management, etc.

Distance learning and the new trends in human resources development

One can identify a few general trends challenging the whole human resources development sphere all over the world, inspiring and pushing the substantial changes in the education and training sphere. These trends have been summarised in the strategy paper of the European Distance Education Network (EDEN) in the following way:

"The rapidly growing awareness of the importance of both the quality and quantity of human resources has resulted in an increasing need for relevant and high quality education and training in society. The development of human resources, and the principle of equal opportunities for individuals, requires access to education for non-traditional students and trainees. Generally, however, the increasing diversity and numbers of students has not been matched by a similar increase in public funds, so the introduction of new approaches, and new and efficient methods of teaching and learning has become crucial.

The implementation of the generally recognised and supported concept of lifelong learning calls for new structures for education and training, where the dividing lines between different levels of education, between education and training, and between initial and continuing education become blurred. Independent study is becoming a more significant part of the process, and the emphasis is shifting to continuing education, where special methodological, efficiency and quality requirements have to be met.

As a consequence of the globalisation of the world economy and the rapidly developing cooperation and integration processes, the internationalisation of education has also become an important requirement. The promotion of European integration also necessitates a strengthening of the European dimension of education at all levels."

When considering these processes in the human resource development, it seems obvious that traditional education methods are not suitable to meet all the new requirements. Therefore substantial changes are needed towards more accessible, open, flexible, professional, cost effective, responsive education, which can meet the special needs of lifelong learning and internationalisation. Thanks to the tremendous progress realized these last years in the IT field, the development of open and distance learning is the right way to overcome these new challenges. Nowadays, open and distance learning is on the top of priority lists of human resource development strategies and the practice has also changed substantially. The most significant human resources development programs of the European Union substantially support open and distance learning. Many ministries of Education, traditional universities, and business schools all over the world have also started to develop their open and distance learning potential.

One of the main reasons for this favourable change was the rapid development and expansion of the use of information technology in ever-wider sections of the society. A typical field of the application of advanced information technology is education, where the efficient use of information technology requires the adoption of the underlying principles and methods of open and distance learning. So the shift of open and distance learning

towards the centre of human resources development is not the main cause of the development of open and distance learning as a methodology itself, it is rather mainly due to the change of regional and national education policies reacting to the rapid technological changes and the concept of the information industry.

The practice of open and distance learning in developing countries

In the Millennium Declaration, UN Member States agreed upon a number of key development goals. In addition to a commitment to reduce poverty, improve health, ensure environmental sustainability and promote education, one MDG requires making available "the benefits of new technologies-- especially ITCs".

The rapid expansion of mobile telephony and the emergence of wireless and satellite-based solutions for low-cost Internet access have increased significantly the potential for IT in developing countries. Advances in technologies have led to the creation of a great opportunity to "leap-frog" stages of development.

The uses of technology for various educational activities seem to be growing exponentially in recent years. This is a worldwide phenomenon, including developing countries. In some places, use of various computer-based programs has multiplied. A variety of computer-assisted instruction programs have proliferated and the use of computing and information systems in management has increased tremendously. As a result, various initiatives and programs have been launched to respond to the challenges and crises confronting education and learning and to stimulate change and create new learning environments that address localised and specific needs of learners in different places and settings.

Two main programs focusing on distance learning in developing countries initiated by the World Bank are now operational: the African Virtual University and the Global Development Learning Network.

After a successful pilot phase led by the World Bank, The African Virtual University (AVU) has been transformed to an independent inter-governmental organization based in Kenya with over 57 Learning Centers in 27 African countries. The AVU was launched, keeping in view the monumental problems affecting the higher education sector in Sub-Saharan Africa. The introduction of AVU is basically geared towards promoting alternative modes for the delivery of tertiary education to complement the efforts of existing institutions of higher learning. As the first interactive instructional telecommunications network, AVU uses the latest telecommunications technology such as satellites and computer-based technology to improve the quality and relevance of science, engineering and business instruction for the benefit of students and professionals from 22 countries in Sub-Saharan Africa. One major aim is to expand enrolment levels significantly in these areas. AVU has already provided more than 2,000 hours of broadcast instruction to some 9,000 students and professionals in 14 Anglophone, 8 Francophone and 2 Lusophone countries.

The World Bank has initiated in 2000 the Global Development Learning Network (GDLN). GDLN is a partnership of learning centers that offer the use of distance learning tools to connect people working in development in 60 countries and includes classrooms with access to videoconferencing and high-speed internet resources. GDLN facilitated more than 900 videoconference-based activities between July 2004 and June 2005, connecting an estimated 35,000 people worldwide. About half of these activities were organized by the World Bank, the other half were organized by GDLN clients.

These two programs demonstrate that open and distance learning is now accessible for all organizations willing to be involved in new training

approaches. Without minimizing the constraints that still remain important in developing countries, open and distance learning using IT carries the greatest potential to train the masses in the developing world in anything and everything; open and distance learning can and will revolutionize learning in the Southern Hemisphere.

Section 2 – Emergence of Open and Distance Learning in Microfinance

The training of Microfinance Institutions' staff represents a major issue with regard to their access to financial and operational self-sufficiency and to the development of their activities in the future.

The main characteristics of practitioners' needs in term of training are:

- A permanent acceleration of the skill needs renewal linked to an evolution of the sector towards business;
- A necessity to train a large number of people rapidly and with a better reactivity;
- A variety of the training needs in terms of objectives and prior levels in order to meet the heterogeneity of the individuals' background;
- A will to follow-up the training and the evolution of competence, the one gained thanks to the training in particular.

Moreover, in order to fulfil these needs, the training must consider the Micro-finance Institutions' constraints characterised by:

- the limited availability of MFI staff devoted to training,
- the necessity to train people "just in time"
- the necessity to control the expenses linked to the training.

Due to these specificities of the microfinance sector worldwide, open and distance learning appear as an efficient way of reaching the greatest number of practitioners. Moreover, microfinance activities, even if local specificities exist, are relatively replicable. In order to reinforce the MFI's capacity building, the best practices need to be widened.

The emergence of distance learning in microfinance can be illustrated by two initiatives led by the international non-profit organization PlaNet Finance and the consulting firm echange LCC.

In partnership with the InterAmerican Development Bank, the firm echange LCC based in the USA has piloted new distance learning technologies designed to improve microfinance lower- to mid-level staff training in Latin America. The program was named "Harnessing the Power of Technology to Improve Staff Training". The echange LCC distance learning approach to training staff encourages self-initiated learning, a sorely missed tool in Latin American microfinance and microenterprise organizations. It allowed for human interaction, real-life experimentation, critical thinking and reflection from a computer terminal, a phone or a television. Through this project, echange LCC has tested the level that distance learning technologies are able to improve access to learning opportunities and performance of mid- to junior-level staff in microfinance institutions. echange LCC now sells their distance learning program.

In Europe, the international non-profit organization PlaNet Finance based in France has initiated in 1999 an e-learning platform called PlaNet University. The online training platform offers a new, free training system set up with the evolution of IT. The training methods can diversify thanks to the introduction of E-learning. PlaNet University has set up a training curriculum in microfinance. The objective is to make the set of modules of this curriculum available online. All existing modules are available online in French and English. The training catalogue is made up of the standard contents, which have been adapted to a diverse and open audience. From this perspective, the different themes addressed are based on the techniques recognized and used by the microfinance sector. The training programs are designed in collaboration with consultants and microfinance practitioners. PlaNet University offers two ways of training: the first one is self-paced training. The learner follows the modules in an autonomous way according to

his availability. The most adapted training content is information, simple concepts, and procedures. The second one is tutored training sessions. The tutorial system makes up for the self-training's weaknesses (isolation, assimilation of complex concepts, etc). Tutored training sessions are training sessions led by a member of PlaNet University. Online tutoring allows the creation of a relationship between the participants and helps them train. A one-month work program helps insure a continuous follow-up. The tutor favors learning and the exchanges between the participants. He implements work activities in relation with the content of the training chosen and is available to answer eventual questions (by email and by chat).

Since 2000, more than 3 000 participants have enrolled at the online training platform PlaNet University. Most of them are MFIs' staff in Africa, Asia and Latin America. Participants not directly involved in MFIs are mainly consultants and students from universities.

Section 3 – Challenges in Implementation of a Distance Learning Model for MFIs

PlaNet Finance and echange LCC have led significant training initiatives to introduce distance learning to the microfinance industry. Open and distance learning seems to provide great potential for scaling up microfinance training.

Nevertheless there are still many challenges in implementation on a large scale. Three main challenges can be classified as the following:

- **Initial solid investment in adapted distance learning tools for microfinance.**

PlaNet Finance and echange LCC can be seen as pioneers in the use of distance learning tools for microfinance industry. The two organizations have received support from donors and private companies to design an appropriate distance learning environment for MFIs. They both managed to develop, for the most part independently, IT solutions to test and to implement their distance learning programs. Building a Learning Management System requires a heavy investment of time, resources and staff to build, operate and maintain such systems.

This initially required solid investment could be supported by donors in order to deploy a distance learning solution to thousands of MFIs worldwide – and this investment could be shared with several development programs involved in other programs with an open and distance learning component. Then it will allow implementing a sustainable new training delivery mechanism combining various online and offline components that are proven cost-effective compared to traditional training. In an industry like microfinance, where staff is disseminated and overloaded and where transportation is slow in developing countries, trying to train staff through traditional classroom sessions can be both expensive and ineffective. Where one-shot face-to-face

training offers limited time to acquire new knowledge and skills, distance learning can introduce at low cost a preparation phase before attending the classroom and follow-up training to ensure that staff can apply what they have learned with continuous support from trainers, tutors or sharing ideas with people involved in the same training process at distance. And given that many MFIs are now online, distance-learning technologies do not require much additional investment in hardware or software from their side.

- **Innovative training methodologies**

The introduction of distance learning requires new approaches both in the content design and the training delivery. One of the most innovative training methodologies is called the blended approach, combining online and face-to-face training. PlaNet Finance and the Microfinance Centre for Central and Eastern Europe and the New Independent States (MFC) have tested in 2004 a one year pilot project: an experiment in developing a 'blended approach' to use online training as a preparation phase before face-to-face training.

The main objectives of the project were to design a methodology for the training content delivery and the localisation of e-content for Polish and Russian MFIs' middle staff. The blended approach, as proposed for use in PlaNet Finance and MFC projects, mixes distance and in-class learning to tackle three different types of learning. Each of them has been considered in order to define how much of 'on' and 'off' to use:

- 1) Knowledge acquisition. Online: up to 100%. Online is ideal for information sharing for learning new facts or concepts.
- 2) Skills development. Online: 50% or less. Learning new tasks or improving performance requires more in-person supervision or instruction.
- 3) Behaviour modification. Online: 25% or less. Changing how individuals and groups interpret events and resolve conflicts, the 'soft skills', requires greater use of experienced coaches or instructors to effectively change work habits or attitudes or to instil motivation.

The online courses designed for the project tackled knowledge acquisition and skills development. These modules are part of a preparation phase for classroom work, ensuring all participants will be on a level playing field before attending, and should help to bring all of them to the same level of understanding the basic concepts.

This kind of training methodology for open and distance learning could go far beyond this first step. The blended approach includes face-to-face events, virtual events, self-guided materials, synchronous learning (everyone interacts at the same time) and asynchronous learning (people interact on their own schedules) and more. All these elements could help to design efficient models for follow-up training and evaluation. One of the weaknesses of traditional training is how to evaluate the participant's behaviour and on the job performance and to measure Return on Investment (ROI) of training. The distance learning process is much better at including post-training activities supporting the trainees to apply the learning and to measure the results. A productive blended learning model can use a well-designed combination of instructional media to implement continuous post-training. This model can include on-line instruction, mentoring/instructor-led support, and various online resources at one's disposal.

- **Computer literacy**

Computer literacy, the ability to use computers to perform a variety of tasks, becomes fundamental to being involved in open and distance learning programs. Open and distance learning programs' evaluations often highlight that trainees perform better if they are already confident IT users. MFI staff members who are more reluctant to the use of IT should first be trained in computer skills before enrolling in distance learning. In any case, the practice of the computer will be more and more requested because of the computerization of professional tasks. So computer training should be offered in mid term as a basic training for all the MFIs' staff members.

Conclusion

Open and distance learning adoption within MFIs is in its nascent stages; widespread adoption is far off. However, we feel MFIs will make the migration to using more sophisticated technologies in the field because of three main reasons: 1. MFIs will have to reduce training costs as the industry moves away from donor led models to profit-oriented commercial models; 2. In conjunction with reducing costs, MFIs will need to expand their recipient base and to train more and more disseminated staff; and 3. With aggregate demand, prices will be reduced to the tipping point where distance learning tools will become affordable and commonplace.

Open and distance learning approaches are potentially the most viable means available to increase MFIs' access to training and at the same time, increase the quality of that training. Through increased access to quality learning, we are offered an opportunity to move from a culture of "schooling," with its inherent spacial and temporal limitations, towards a culture of "learning". In so doing, it may become possible to promote life-long learning, individual responsibility and, ultimately, empowerment.

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