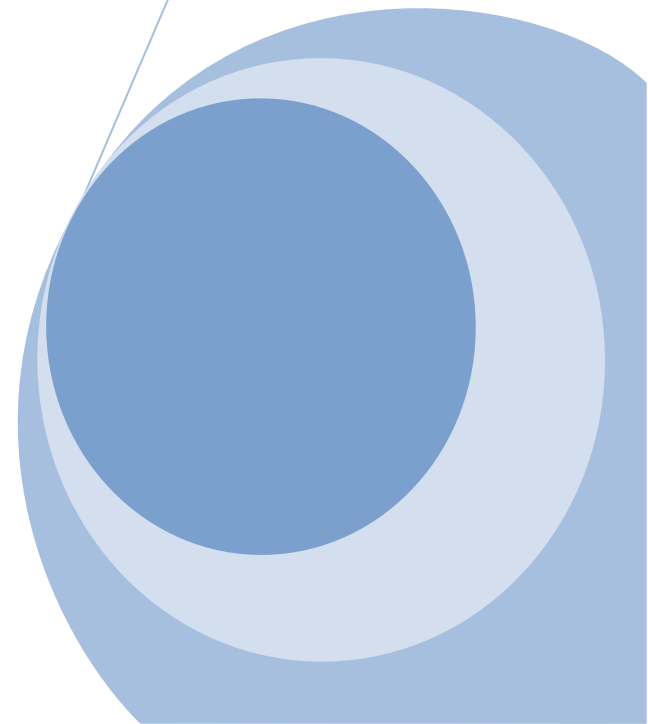
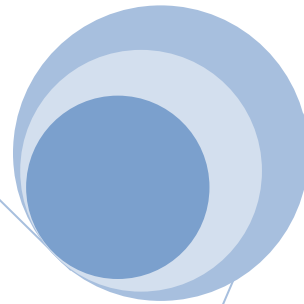
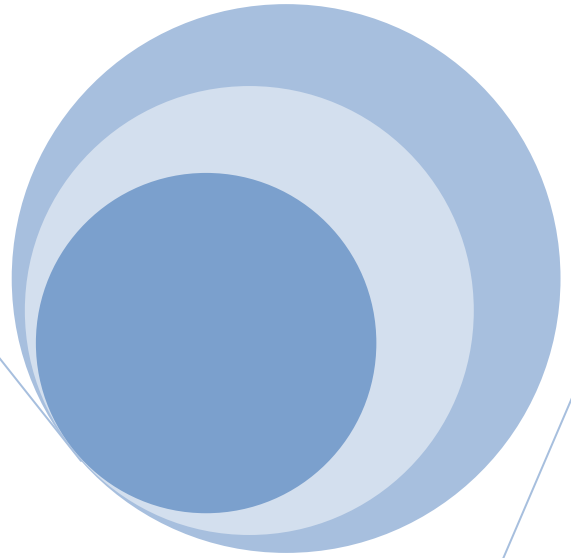


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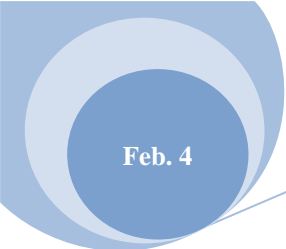
Microcredit Report



Microcredit

Development of a Microcredit Model for IEHPs Living in Atlantic Canada

A review of existing best practices in microcredit lending to IEHP's in Canada, and accompanying suggestions on how a microcredit program could be implemented in the Atlantic region.



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To all of those individuals who took the time out of their busy schedules to help with this report, you have my sincere gratitude. A special thank you as well to all of the existing microcredit programs in Canada that have so freely shared their information. Finally, I would like to thank the funders of the report, Health Canada.

REVIEWER:

Craig Mackie, Executive Director, PEI ANC



EXECUTIVE SUMMARY

INTRODUCTION

This study was undertaken to review existing best practices in microcredit lending to internationally educated healthcare providers (IEHP's) in Canada and make recommendations based on these findings; evaluate the costs and benefits of introducing a program of this nature in Atlantic Canada; explore existing settlement agency clients' perceptions of a potential microfinance venture; and analyze the larger socio-economic forces that make this an important issue to address.

APPROACH AND METHODOLOGY

Research was carried out through multiple data collection methods:

- *A literature review and web search*, conducted on the internet with Google Scholar, and a search of the University of Victoria's online library database.
- *Key informant interviews*: were conducted via phone, internet, and in person from 2008-2009. Those interviewed were drawn from the provincial government, settlement agencies, existing microcredit providers, now defunct microcredit providers, IEHP's, academics, financial institutions, and other related community organizations.
- *An environmental scan*, was conducted using web based resources, word of mouth recommendations, and through solicitation of responses from existing clientele. This data was used to create a list of currently offered microcredit lending programs.
- *A mass email* to existing ANC clients of the IEHP project workers. The letter was also sent to various other community organizations which circulated it through their internal email lists.

RESEARCH QUESTIONS

A few key questions guided this research:

1. Are there existing models in place in other jurisdictions that could be replicated? If so, what key elements do they have that contribute to their success? What might a successful program look like?
2. Are those same key elements in place in Atlantic Canada? If not, is it reasonable and possible to put those elements into place?
3. What are the key financial needs of immigrants at Atlantic Canadian Settlement agencies?
4. How do our clients define their needs, and what do they see as being most important?
5. How does Microcredit fit into the larger socio-economic picture?
6. Considering broader program objectives, are there other models in place that would be more efficient and effective?
7. How does the paradigm we adopt influence our recommendations? "Rights" perspective vs. economic determinism.
8. What recommendations are being made by other researchers looking at the area of community economic development, and financial assistance for immigrant professionals? Do our recommendations mirror or counter these recommendations?

KEY FINDINGS

If government wants to support the newcomers, the best way is to offer them job opportunities or small amount of grant, giving them money with high interest rate!!! Doesn't solve much.

PEIANC client

The term IEHP is not a monolithic concept; the needs of individual IEHP's vary greatly depending upon their immigration status, their age, their career goals, their level of financial security, and their culture of origin. When asked about the need for a Microcredit project their answers varied tremendously. In general:

- Despite the fact that the term 'microcredit' seems to suggest a particular form or structure; there is in fact a wide variety of lending forms that may fall under this umbrella term.
- Depending upon the individual's country of origin, their prior experience with financial institutions, their home country's cultural attitudes towards borrowing in general, and their psychological disposition, the responses could range from extremely positive to decidedly negative.
- Just as there is no one IEHP, there is also no one best strategy or program template that can be adopted beyond the local level. Although IEHP's may encounter similar struggles, roadblocks or hurdles, the best response to those challenges is highly variable. Flexibility in options is really the best course of action.
- The sources of capital for microcredit lending and community investment funds are diverse. According to the Final Report (2003) of the Social Investment Organization, and the Riverdale Community Development Corp. they may include: "contributions and loans from private donors, private investors, faith-based institutions, foundations, government loan guarantees, financial institutions, pension funds, and other institutions" (p.3). Likewise the level of risk for lenders and investors is similarly diverse; the spectrum ranging from CDIC insured funds in credit unions to non-secured funds held by NGO's. Many of the programs operating in the western provinces also had access to limited loan loss reserves through Western Diversification, a program similar to the Atlantic Canadian Opportunities Agency.
- Without addressing possible structural and systemic racial barriers, the provision of financing will do little to help the plight of new immigrants. Microcredit financing should be viewed as part of a comprehensive strategy.
- When immigrants begin working at 'survival' jobs, it becomes far more difficult for them to re-enter their skilled profession. The ability to move quickly through the licensure process is critical.
- Calmeadow's "experiments showed that stand alone exclusively targeted microcredit operations are not commercially viable in fully developed countries. The absence of a critical mass of customers or offsetting income from other financial services offered make it impossible to cover all costs within the bounds of a fair interest rate structure" (www.calmeadow.com/canadian.htm).
- Some of the most successful microcredit programs, are operating in areas that have strong historical community economic development links and partnerships (Libro Financial- started by Dutch immigrants in the 1950's), or operate in an area that has a culture of private and corporate philanthropy (Momentum in Alberta).

- The group liability structure that has traditionally characterized microcredit may not be feasible in many modern Canadian communities.
- Client needs go beyond mere ‘credit’ provision when it comes to potential microcredit programs; any new program should allow for training and development and other related assistance services to be factored into program budgets. Personal relationships are still a primary factor in program success.
- Success of a microcredit project needs to be examined in terms of both social and economic outcomes. Even if a project cannot be said to be a success financially, it may still be successful in light of the social benefits it provides.

RECOMMENDATIONS

1. Any program devised must be flexible; not only must a potential microcredit program adapt to the needs of distinct clients, it also must be able to change with the changing patterns of immigration, provincial settlement strategies, and federal government priorities.
2. Any organization that plans on implementing a microcredit program should remember that microcredit is “only useful in certain situations and with certain types of clients” (www.acic-caci.org/microcredit/faq.html). However, this may mean that a ‘trade-off’ may need to be made in terms of universality and accessibility for IEHP’s. Organizations will need to be guided by their mission, values, organizational culture and operating budget when determining which direction to proceed.
3. NGO’s interested in helping IEHP’s address their financial needs should advocate for an expansion to the financial assistance services that are currently offered to their clients.
4. Organizations should see if funds are available from the Provincial government’s (LMA¹) funds so that a small grant could be administered.
5. Based upon the findings of (SP Consulting, 2008) this report recommends that optimally any financial assistance offered to new immigrants to help them obtain ‘skills commensurate employment’ should be “mainstreamed” and offered through existing institutional providers like the Canada Student Loans program. If this is not possible then the cost for counselling and case management services should be absorbed into the operating budget of the organizational provider. The costs for the administration of the loan would need to be covered by a potential financial services partner.
6. Any organization considering implementing a microcredit program should partner with a financial services provider who would administer the loans and cover the administrative costs incurred.
7. Ideally, the financial services provider would eventually take over the loan program. However, organizations should be prepared to have to shoulder the costs involved considering the poor response to date from many credit unions.
8. Organizations will need to look for stable and diversified sources of funding.
9. Finally, financial literacy classes might be necessary prior to launching a microcredit loan program, as many clients may not be familiar with the Canadian financial system. The Ottawa Community Loan Fund recently released a free *Financial Toolkit* for Newcomers which can be linked to from their website. Organizations may want to either provide this link to clients, or adapt the material for their own internal use.

¹ Former Federal LMDA funds transferred to Provinces

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 THE PEIANC AND THE ATLANTIC CONNECTION

“In the new global knowledge economy of the 21st century prosperity depends on innovation, which in turn, depends on the investments that we make in the creativity and talents of our people. We must invest not only in technology and innovation but also, in the Canadian way, to create an environment of inclusion, in which all Canadians can take advantage of their talents, their skills, and their ideas”

-Jean Chretien, former Prime Minister of Canada

With increased global mobility, and formerly unknown levels of international competition it has become imperative that countries become innovative in attracting and maintaining skilled immigrants, indeed as Chretien notes, our future prosperity depends upon it. According to Schmidtke, Kovacev, & Marry, from the University of Victoria, “access to skilled labour will emerge as one of the most acute problems particularly in the most productive sectors of the economy” (<http://culturalcapital.uvic.ca>).

We are currently in the midst of a global healthcare shortage. According to the Canadian Nurses Association’s May 2009 report on the health human resources (HHR) landscape, *Tested Solutions for Eliminating Canada’s Registered Nurse Shortage*, that if nothing is done to intervene and reverse current trends that by 2022 Canada will be short over 60,000 full-time nurses. Indeed, “a stable and sufficient supply of health professionals continues to be one of Canada’s greatest health-care challenges” (www.cna-nurses.ca).

In Prince Edward Island, the well-publicized Corpus Sanchez Report (2008) *An Integrated Health System Review in PEI. A Call to Action: A Plan for Change* made note of this growing worldwide health human resource deficit, and its corollary of challenges; namely, an aging workforce, an aging demographic in general, and highly competitive recruitment efforts both inter-provincially and internationally.

The out-migration of Canadian born and immigrant health professionals from the Atlantic Region is not a new phenomenon. Traditionally, this area has not had the employment prospects that could be found in Canada’s larger urban centres or south of the border in the US.

So, although this has been a longstanding issue, given the aforementioned growing health human resource deficit it is becoming imperative that long term strategies are developed and policies and practices are put in place that will not only help slow this out migration, but hopefully increase the desirability of the Atlantic region to highly qualified internationally educated healthcare professionals (IEHP’s).

In light of the preceding situation the IEHP initiative known as the *Atlantic Connection* was formed to investigate the various paths that new IEHP’s follow in their quest to become licensed; identify where gaps and

challenges exist; and then find solutions to these challenges in order to ensure the Canadian health care system has a “stable and sufficient supply of health professionals,” (www.can-aiic.ca) and that newcomers to Canada are able to more fully utilize the skills that they bring with them.

During the initial phase of this project an environmental scan and gap analysis were undertaken to identify possible barriers to successful integration of IEHP’s. Financial constraints due to the high cost of exams and licensure fees were two barriers that were identified by the steering committee. An *Atlantic Connection* organization partner, the Prince Edward Island Association for Newcomers to Canada (PEIANC), was then selected to undertake further research on this issue with the goal of designing a potential microcredit solution to the problem.

The Prince Edward Island Association for Newcomers to Canada is, “mandated to provide a wide variety of short-term settlement services and long-term social inclusion and community integration programs for immigrants”. The work and activities carried out by the Association are multidimensional, but one of the most important functions of the PEI ANC is to help immigrants fully participate in all aspects of their new community: socially, economically, and culturally, so in this regard their mandate and that of the *Atlantic Connection* are closely aligned (http://www.peianc.com/content/lang/en/page/about_home).

The need to successfully integrate new immigrants into the community and help them obtain meaningful and ‘skills commensurate employment’ is not just a social justice issue but is vital to the economic success of our region. On a national scale according to Capacity BC (2006) it is estimated that the failure of Canada “to mobilize the full potential of immigrants” resulted in a loss to the Canadian economy of about 2.4 billion dollars per year www.bcitp.net (p.6).

1.2 WHAT IS MICROCREDIT

There is a multitude of ways that one can address the financial constraints that many new immigrants experience when coming to Canada. Some provinces like Manitoba, directly subsidize IEHP’s through their *Credential Recognition Program* by paying up to 50% of the costs (maximum \$2,250) as they go through the licensure process (www.immigratemanitoba.com/browse/work_in_manitoba). Another such way is through what are termed microcredit loans, or through microfinance ventures. In general, microcredit lending is primarily geared towards the poor, marginalized and disadvantaged members of society. Historically, users of microcredit have been individuals, mainly women, who are considered destitute, or the poorest of the poor; they are people who because of their social or economic status in society are not able to obtain access to credit through traditional financial institutions and instead often must turn to money-lenders or other high-interest sources of funds.

While the users of microcredit programs in Canada may not be as disadvantaged economically and socially as the clients seen by program workers in developing nations, they are still at a relative disadvantage in comparison to other citizens. New immigrants, even though they may be highly educated and possess excellent

credit histories in their home country are often at a disadvantage in Canada because they lack Canadian credit histories and work experience. Because of this they are often denied many of the financial products offered by traditional banks such as loans, credit cards, and lines of credit. However, in recent years some progress has been made in this area with the introduction of specialized lending products for new immigrants by banks such as CIBC, HSBC, and others (www.cibc.com).

Microcredit has primarily been a private non-profit sector initiative, even though governmental bodies may subsidize part or all of the delivering institutions operating budget. Likewise, the provision of microcredit loans by the non-profit sector is just one example of the larger societal move to shift the provision of what were once services provided by the government to the market driven private sector, or alternately to arms-length agencies operating on the government's behalf. Williams (2001) sees the emergence of microcredit as a response to two trends that emerged with the neo-liberal restructuring that accompanied the globalization of capital in the late 20th century. They were: "state sponsorship of self-employment as an alternative to traditional forms of social security; and the withdrawal from disadvantaged areas of large employers and financial service providers" (p.3).

Despite the fact that the term microcredit seems to suggest a particular form or structure; there is in fact a wide variety of lending forms that may fall under this umbrella term. In the broadest sense microcredit lending is sometimes referred to as "character-based lending" as opposed to collateral based lending. This character-based lending or people-centered lending considers amongst other things: an individual's background, objectives and plans.

In addition to helping people start initiatives to augment their income or upgrade their skills, microcredit has also, according to www.microfinancegateway.org been a powerful instrument of self-empowerment, especially for women. Microcredit's purported 'spin-off' effects are often touted as being one of its greatest strengths and also helps explain why it has become the 'sweetheart' of both domestic and foreign economic development policy.

Prior to the establishment of programs like this the poor were deemed to pose too great of a credit risk to extend traditional loans to. Ironically, part of the success of microcredit is attributed to the fact that they "bucked conventional wisdom about financing the poor" and have shown that the repayment rates of less fortunate people can mirror those of people who are deemed 'credit worthy' by banks. However, the high repayment rates seen by institutions like the Grameen bank are not necessarily easily replicated in North America as we shall see (www.cgap.org/portal/site/cgap/menuitem.b0c88fe7e81ddb5067808010591010a0/).

Cunningham (2000) claims that when he uses the term microfinance he is referring to, "the provision of small-scale savings, credit, insurance, and any other financial services to those who cannot access them from formal financial institutions" (p.1). Microcredit then is the lending element that exists under the umbrella term of microfinance. The Grameen Bank distinguishes microcredit lending from traditional commercial lending by claiming that their banking system is based on, "mutual trust, accountability, participation, and creativity" (www.grameen-info.org/bank/index.html).

It should be noted that while the terms microfinance and microcredit are sometimes used interchangeably by various authors, it is only specifically a microcredit lending program that this report is investigating in terms of its feasibility and appropriateness for delivery to Atlantic Canadian IEHP's. A more comprehensive microfinance or community economic development initiative is beyond the scope of this research, and would require that much more complex legal, accounting and securities parameters such as prudential regulation be met by any agency wishing to put a microfinance program in place.

1.3 HISTORY OF MICROCREDIT

The term microcredit garnered international attention when the founder of the Grameen Bank in Bangladesh, Muhammad Yunus, received the Nobel Peace Prize in 2006 for his work in helping to eradicate poverty in underdeveloped nations. The Grameen Bank as well as others like Bancosol in Bolivia have now become synonymous with the term microfinance. Gord Cunningham, program staff at the Coady International Institute at St. Francis Xavier University, in his article *Microfinance: Flavour of the Month or Practical Development Alternative?* (2000) refers to the Grameen Bank as the “flagship” of the new microenterprise lending movement. Interestingly, Yunus applied lessons learned by Shore-bank, a community investment bank in Chicago, in the 1970's to his native Bangladesh (Alberta Venture/ July 2009).

In 2003, the UN General Assembly passed a resolution that 2005 would be declared the *International Year of Microcredit*. Backed by such prestigious organizations and such laudable goals, it was not surprising that microcredit became an international phenomenon and “buzz-word”. Because of the success the Grameen bank was having, many people have endeavored to replicate its success in other “developing” nations as well as in North America. Replication of the model, however, is not easy nor is it always appropriate. Even Muhammad Yunus, the founder of the bank, has argued that, “successful replication depends on the economic, social and political climates of the other countries being sufficiently similar to those found in Bangladesh” (Hulme, 1990). Even things like the existence of a social security net in a Welfare State can be a disincentive to repayment.

Although most microcredit programs were initially administered by private sector non-governmental organizations (NGO's) in the last decade there has been a growing trend towards establishing more full-service microfinance institutions to deliver these credit products. NGO's moved in this direction in an attempt to capitalize on the extra resources that become available if you become a deposit-taking institution, and to reduce reliance on the often-unpredictable nature of donations and funding partners. The transition to full-fledged financial institution has not always been successful though. Hishiguren (2006), points out that starting around 1992 the move towards becoming a regulated financial institution was linked to the following factors:

NGO's feel unable to meet the large and growing demand for microcredit because their sources of funds are limited to donations, income from lending and subsidized loans...donor grants and soft loans are limited and do not support the portfolio growth needed to ensure long term sustainability for the institutions. As NGO's governmental regulations usually only allow credit lending services.

In the past few years, microcredit ventures and programs have faced growing criticism. Even as early as 2001 some authors such as Toni Williams, Associate Professor of Law at Osgoode Hall Law School, had begun to turn a more critical gaze on this much touted form of financial instrument. One of the most common points of contention has been the higher interest rates that are usually charged by the lending organizations. In response to these criticisms many microcredit providers are quick to point out that these interest rates are not put in place to take advantage of the poor, but are instead necessary for their survival. The principle justification offered for these higher than normal rates has been that due to economies of scale administrative costs are higher when you are administering multiple small loans as opposed to a few large ones; in fact, according to Rosenberg, Gonzalez, and Narain (2009) salaries and other administrative costs account for 60% of MFI's costs" (p.13).

Surprisingly, some scholars (Rahman, 1999; Rankin, 2002; Karnani, 2007) have also questioned microcredit's use as a poverty reduction and empowerment strategy for women, and have instead argued that the existence of microcredit programs in some areas may even lead to heightened domestic abuse. Rankin, in discussing the supposed benefits of microcredit for women, its chief clients, offers this analysis:

*This rhetoric of "solidarity" implies that women who participate in group lending will identify collectively to resist their common oppression, such as a Marxian approach to social capital might prescribe. Yet in practice the financial imperatives for sustainability often lead microfinance programs to engage the collective only in the most instrumental manner- reducing administrative costs and motivating repayment- at the expense of the more time-consuming process of consciousness raising and empowerment. Mere participation in the group borrowing process is often considered a proxy for empowerment, and assumed to generate ample quantities of social capital in the liberal sense of the term. ..I caution that in the absence of a structural analysis of social capital, microfinance and similar development strategies could end up only **exacerbating**, rather than challenging existing social hierarchies*

(Rankin, 2002, p.3).

Although Rankin (2002) is specifically addressing the issue of gender discrimination in the above quote, a very similar analysis could be applied to new immigrants. Moreover, Rankin's analysis points to the tendency of NGO have to view the link between increased social capital and development as deterministic, benign, and causative. Instead, she argues, the rise in the popularity of microfinance initiatives is partially attributed to the concurrent move or government strategy to shift responsibility from the state to the non-governmental sector. Furthermore, Rankin sees this devolution in responsibility to the individual level as just one component in this larger movement. She states, "By focusing on the poor as agents of their own survival, the framework obscures the structural sources of inequality produced by the present political-economic conjuncture" (p.10).

David Kilgour, Member of Parliament for Edmonton–Beaumont, and Secretary of State Latin America & Africa) in 1999, made the following remarks while he was speaking to attendees at a forum on microcredit sponsored by the Edmonton Community Loan Fund and Parkland Institute.

We often think of Canada's involvement with microcredit as a recent development...but the funding of microenterprise through small loans was important to the growth of commerce in Canadian settler society and later in the forerunners to credit unions. This short glimpse back at Canada's own experience with microcredit serves to remind us that these forms of credit are not particular to the so-called "Third World". I say these forms because there are numerous models of microfinance and what works in Bangladesh may be very different from what works in West Africa or in Edmonton. Canada faces unique challenges, which make it difficult for us to apply the lessons of microfinance and microenterprise from the developing world to our own country—especially as a means of poverty alleviation. Today Canada is no longer a rural settler society, but rather is a highly urban society with a mobile population. Our sense of community is eroded, and this makes it harder to put in place the kind of loan circles and peer- support systems that work in countries such as Bangladesh. (www.david-kilgour.com/secstate/microcr3.htm)

Certainly, there are two sides to the coin when one looks at the costs and benefits of microcredit lending; Raksha Vasuevan, international student summed up the dilemma nicely in a recent post on www.globecampus.ca/blogs/global-citizens/tags/microcredit/. In her article, *Microfinance: where altruism and capitalism collide*, she claims that microfinance is “much more intricate and dense than she’d realized”. Whether it will be an appropriate strategy to implement will depend in part on the larger goals, programs and practices of an organization.

It seems that the individuals for whom microcredit loans would be the most beneficial, and to whom they could be legally administered would be: permanent residents in the health professions like physiotherapy, pharmacy, and others that allow professionals to work as technicians or assistants while they study for their licensure exams; professions that have a relatively straightforward licensure process and can show that IEHP's have a reasonable chance of success at the exams; and individuals in programs that provide on the job training and workplace mentoring opportunities. These are perhaps the people whom Alboim (2002) claims may just need a bit of a “boost” before they become gainfully employed (p.38). The website www.microfinance.org also reiterates this sentiment; they argue that, “people who have identified an economic opportunity and are in a position to capitalize on it” are best suited to taking out a microcredit loan.

The conditions that need to be in place for one to be able to “capitalize on an opportunity” are going to vary according to the individual's circumstances and specific profession, but certain conditions are universal, and include but are not limited to: market demand for the profession, employers willing to embrace cultural diversity, and a licensure process with a high probability of success. One of the more successful lending programs, the Maytree/Alterna loan program does not fund physicians because of the complicated licensure process. This more stringent lending structure may count in part for their higher repayment rates.

1.4 LEARNING FROM OTHERS

Calmeadow, a not-for-profit NGO, who administered microcredit loans in Canada until 2001, tried to introduce this group lending or peer-lending type of model mentioned by David Kilgour but was unsuccessful. In their latter years they settled on an individual loan model more in keeping with what we are familiar with here in North America. In the end they concluded “their experiments showed that stand alone exclusively targeted microcredit operations are not commercially viable in fully developed countries. The absence of a critical mass of customers or offsetting income from other financial services offered make it impossible to cover all costs within the bounds of a fair interest rate structure” (www.calmeadow.com/canadian.htm).

This finding is consistent with that of an eight-month study, “National Study of Community Investment in Canada” (2003) undertaken by Social Investment Organization, and Riverdale Community Development Corp. During the period under review 1998-2003, they found that sixteen new funds started up, but six ceased operating. Considering the number of changes to the sector recently, this volatility appears to be unchanged.

The study also goes on to point out that start ups were most numerous in years where large national conferences on community financing were held (p.7). In part it seems that the volatile nature of the community investment and microfinance sector is partially related to the often short term “pilot-project” federal funding that usually accompanies and leads up to these conferences. Calmeadow is a case in point; when their pilot-project funding ran out they were unable to cover the administrative costs associated with the delivery and development of their lending program. Yet in all fairness, as Williams (2001) points out, “from the beginning Calmeadow intended to act as a catalyst rather than a long-term financial intermediary, projecting that within five years the FPF (First People’s Fund) and the PARD (Peer Assistance for Rural Development) would significantly reduce reliance on its financial intermediation and be close to self-sufficiency” (p.41). Once again, this situation speaks to the fact that sustainability and stability of funding are crucial components in designing any type of financial assistance program for IEHP’s in Atlantic Canada. Yet they are not the only issues. Calmeadow also encountered two other related difficulties in their attempts to reach “scale and sustainability”: low rates of debtor recruitment, weak rates of debtor retention, and high rates of debtor default. It appears that these difficulties are not restricted to the programs that Calmeadow initiated either as a review of the Saint John Community Fund and the Maytree/ Alterna program shows that these issues still persist in one form or another (Maytree, 2008).

Although refinements and new initiatives were introduced by Calmeadow over the years at no point over the course of its history were projected targets met, in fact they fell far short of them (pp.-46-47). At all points it appears that many assumptions were made about the perceived needs and probable actions of clients. One unanticipated need that stands out was that “Metrofund (Calmeadow) found that its debtors required more care and attention from staff than it had anticipated” (Williams, 2001, p.54). This was particularly important because it entails a significant cost in terms of staffing to provide such service. Moreover, it points to the fact that client needs go beyond mere ‘credit’ provision when it comes to implementing potential microcredit programs. Therefore, any new program should allow for training and development and other related assistance services to be factored into program budgets.

1.5 A DUAL MANDATE

Financial viability, however, was not Calmeadow's only goal. Instead, Calmeadow had a dual mandate; that is they had both a social mandate and a commercial mandate. So although they found that commercially they were unsuccessful, they did feel that they were successful in fulfilling their social mandate to "improve borrower's quality of life" and to support business and job creation in Nova Scotia". Momentum, an NGO in Alberta calls this (SROI) or social return on investment. The term "blended-return" is also sometimes used. This is an important consideration and must be factored into any government or organization's decisions on the viability and usefulness of providing these small loans. The Canadian government, both federally and provincially, has a responsibility to ensure that no members of our society are facing undue barriers to integration and therefore being denied a decent quality of life.

The dual mandate of microcredit was also acknowledged by the UN General Assembly when they proclaimed that a more inclusive financial sector (through microcredit) "is not limited merely to the receipt of loans, credit, savings, insurance and other economic tools, but evidence shows that it contributes to the health, nutrition, food supply and educational level of recipients' families making them less susceptible to income fluctuations". Supporters of microcredit and microfinance argue that these programs not only elevate personal assets, but also go beyond the individual household level to help "strengthen the fabric of local economies by investing in the productive capacity of communities" (www.yearofmicrocredit.org/pages/mediaoffice/mediaoffice_press).

Although the efficacy of such statements may as yet be unsubstantiated in Canada, Calmeadow's limited success may lend some credence to this claim. Likewise, in the 2008 annual report from Momentum, an NGO in Alberta, the Chairperson and Executive Director make a similar statement; they argue that the advantage of Momentum's programs do not just lie in the potential for individuals to increase their financial assets, these programs are also designed to build personal, social, physical, and human assets (p. 2).

Social capital is a concept that is familiar in the community development literature. Social capital can perhaps be best understood when we examine the concept in relation to other more widely known terms like social cohesion or social inclusion. While the following is not meant to be a precise definition of social capital, according to Jeannotte (2008) it "refers to the networks of social relations that may provide individuals and groups with access to resources and supports" (p.5) Based on the work of Canadian professors Jane Jenson and Paul Bernard, University of Montreal, she argues that attention must be paid to both the formal and substantive dimensions of social cohesion. According to this formulation "inclusion is one of the elements of social cohesion and it is an **outcome** or result of policies and programs that promote equality". Social capital, likewise, is another identified factor that can lead to social cohesion. In other words, the value of promoting social capital is not an "end in itself" but instead is a means to an end (pp.3-6). So although arguments for increased integration of immigrants are sometimes presented as an individual "rights" based argument, we must not forget that it is the society at large who also derives benefit from policies and programs that result in increased levels of social inclusion and cohesion. Unfortunately, in this age of 'results-based' management (RBM) demonstrating results in this area can be problematic as it can take years for the full effects to occur.

One of the strongest proponents of social capital, Robert Putnam, argues that social capital “can contribute significantly to the alleviation of poverty, and correlates positively with indicators of political democracy and economic growth” (Rankin, 2001, p.1). While the importance of having adequate social capital in society has been linked by some like Putnam to increased levels of democratic participation and elevated mental health for all residents, the existence of adequate levels of social capital can be extremely important to Newcomers who are often in a vulnerable position both financially and socially. Isolation, lack of language skills, insufficient community and social support networks, possible or looming poverty, and cultural shock can all combine exponentially and create a form of disenfranchisement that has serious repercussions for societal stability and prosperity.

CHAPTER 2: THE LARGER CONTEXT

2.1 THE ARGUMENT

“Studies have shown that skilled immigrants who come to Canada and take a low level job to survive are less likely to enter their specialized field. For the benefit of the immigrants and the economy, a loan program that allows people to take the time necessary to upgrade their qualifications at the outset appears to be a worthwhile investment. Highly skilled immigrants represent a good risk, and may just need a bit of a “boost” before they become gainfully employed in their occupation and are able to pay back their loan.”

(Alboim, 2002, p.38).

Research carried out by the Toronto Region Immigrant Employment Council (TRIEC, 2006) and an Intergovernmental Relations Committee charged with reviewing existing labour market initiatives for skilled immigrants found that “when immigrants begin working at ‘survival’ jobs, it becomes far more difficult for them to re-enter their skilled occupation” (p.12). In light of this finding the committee recommended that there was a genuine need for a loans program that would help immigrants pay for assessments, courses, equipment, and materials to help them move through the licensure process as quickly as possible. Alboim (2002) also reiterates what the aforementioned committee found. In other words time is of the essence to the new immigrant seeking to reenter their former profession.

Although the committee was not explicit in the exact type of loan that should be offered, they did suggest that the ‘new’ loan program being offered by the Ontario Ministry of Citizenship and Immigration was a start. In addition, they also proposed that alternatives to the “funding formulas for bridge-training and modularized curriculum development and delivery in colleges and universities” (p.12) should be reviewed. This recommendation is in keeping with other recommendations on how to best offer funding for programs aimed at labour market integration of skilled immigrants. Some authors refer to this as “mainstreaming” program delivery and development; they argue that by mainstreaming bridging programs the immigrant will gain access to traditional student loan funding offered to Canadian post-secondary students (SP Consulting, 2008).

The immigrants who responded to our survey letter clearly had differences in opinion about the usefulness of a microcredit loan program; yet despite these differences of opinion, there did not seem to be any disagreement about the fact that obtaining financing when you are a new immigrant can be difficult. This is the case if you are a business- person or professional. In most cases major Canadian banks and credit card companies are not willing to lend to anyone who does not have an established credit rating in Canada. This is especially true for unsecured lending such as lines of credit or credit cards; both are considered revolving credit products and thus

carry a higher risk of default even amongst the Canadian born population. Hence the income requirements that often accompany these types of products. To make matters more difficult for new immigrants, in times of economic downturn these institutions often tighten their credit lending parameters and restrict the provision of credit to their best customers. To people who are already on the margins of society this restricted access to needed financial resources only serves to marginalize them further by keeping them from working in their previous occupation.

2.2 ADDRESSING GAPS

Our research found that the desire to see a microcredit program put in place was closely tied to the respondent's own financial situation. Visitors to Canada, who are here solely to write licensing exams, or people whom are here under the Federal Live-in Caregiver program were more likely to find themselves in need of funds to cover both living and education costs. Many of these visitors are internationally educated nurses (IEN's) that must come to Canada in order to write the Canadian Registered Nurses Exam, hereafter referred to as the (CRNE).

Unlike the first evaluating exam for physicians, the MCCEE, which can be written at over seventy locations worldwide, nurses who wish to immigrate to Canada must come to Canada to write the exam. This creates undue financial hardship for many of these individuals because not only do they have exam costs to cover, but living costs as well. In jurisdictions where foreign trained nurses are allowed to practice under a temporary license this hardship is partially mitigated against.

Temporary licenses are issued in most provinces to IEN's who have not written the CRNE yet, but who are actively studying to take the exam. However, due to the highly culturally prescribed content in the CRNE many foreign trained nurses fail the exam on first writing, and once this happens they are no longer eligible for a temporary license thereby depriving them of their source of income (Zhang, 2009).

This need for funding for living expenses in addition to licensure and exam costs was also mentioned by George Brown, manager of WIL in Waterloo, Ontario, and was something that they were also looking to address as the level of microcredit financing that they currently offer is unable to, in general, cover these expenses (Personal correspondence, September, 21st, 2009).

In contrast to the relatively straightforward licensure process for the IEN, the international medical graduate, or IMG faces a long and arduous licensure process with no guarantee of success. To the potential traditional lender these individuals are still quite risky despite their potential to be highly desirable customers in the future. In fact, even to most non-traditional lenders with a social inclusion provision in their mandate or agenda, lending to IMG's to cover the cost of exams is still relatively uncommon (SP Consulting, 2008).

In spite of the fact that many IMG's in the Maritime region gained easy access into Canada through various provincial nominee programs, and Citizenship and Immigration guidelines that favour entry of individuals with high levels of education, upon arrival most IMG's must be prepared to go without their usual level of income for quite some time, if indeed they ever return to their previous socio-economic position. This is sometimes

referred to as the ‘transition penalty’ that immigrants face when moving to a new country. So although, upon first consideration financial assistance programs may seem irrelevant to some IMG’s, with time and potentially dwindling savings IMG’s may find that their need for external financing may increase. Based on the research conducted for this project, it cannot be ascertained what percentage of IMG’s may find themselves in this situation. However, in our work as employment counselors to IEHP’s we often hear it stated that they will be ‘fine’ for a year or two. This seems to be the average length of time that most IMG’s are prepared to go without a regular source of income.

2.3 WHO IS THE IEHP?

Prior to coming to Atlantic Canada most IEHP’s were:

- Leaders
- Figureheads
- Respected in their communities
- Financially stable
- Had many education and career achievements

The IEHP’s that case workers meet come from diverse healthcare backgrounds, and have varied levels of experience. Yet, in general, many of these individuals all share one thing in common, they have exceptional curriculum vitae. These are some of the IEHP’s in Atlantic Canada:

- Gynecological Cancer Specialist
- Neurophysiopharmacologist
- CEO of Traditional Chinese Medicine Institution
- Internal Medicine Physician with Gerontology Sub-specialty
- High profile Sexologist representing companies like Pfizer
- Radiologist and CEO of Hospital
- Infant Cardiologist
- Professor from prestigious University

These individuals have all chosen at great cost to their former stability and security to call Atlantic Canada home, and if suitable positions were available they would be more than happy to stay. We are so lucky to have them here, yet far too often we are unable to benefit from the immeasurable skills that they possess. Without reasonable, targeted, and efficient licensure processes in place we will lose these individuals to larger centres, and increasingly to other countries like the United States. Considering the difficulty that many human resources departments have attracting workers to the Atlantic region we can’t afford to lose this opportunity, Atlantic Canada needs to have comprehensive processes in place to help these IEHP’s.

CHAPTER 3: THE VOICE OF IEHP'S

3.1 THE SURVEY

“The world we live in is a world of credit. ... In my opinion the Microcredit project is very useful because it is not easy to lend money from just anybody or even family members because they all have their problems as the case may be”.

PEIANC Client, September, 2009

I'm glad there is finally someone has noticed the issues you're about to discover

PEIANC Client, August, 2009

In August 2009 an email was sent out to seventy PEIANC IEHP clients. This number did not represent the total number of IEHP clients at the PEIANC, however, because people with English language skills below level three were excluded from the mailing. Given the limited number of IEHP's served by the PEIANC, this sampling method was not intended to be random, or representative of the larger Atlantic IEHP community. Although other Atlantic partners also forwarded our request on to their clients, there was never any move to adhere to strict procedures of survey sampling to maintain reliability and validity; instead the purpose of the survey was to help bring a “voice” to our local IEHP's and to expand upon the information found in the online environmental scan of existing and past microcredit programs in Canada. Involvement of IEHP's as stakeholders in the design, and development of the project is also one of the foundational principles guiding the larger IEHP project.

From that initial seventy (n=70) only three people responded, and two emails were returned undelivered. Since that time, we have found out that ten of the seventy clients who were sent emails were no longer living in PEI. Once these clients were excluded we had a response rate of approximately five percent. As such, a second email was sent out a few weeks later. No further responses were gathered from that second email.

In addition to these clients, an email asking for input on a potential Microcredit Project was also sent out to several other Atlantic settlement agencies, and related community organizations like *The Internationally Educated and Trained Professionals of Nova Scotia*. Many of these organizations forwarded the survey letter to their clients, with a preface introducing what the project was about. No client responses from these agencies were received.

Considering this poor response rate, another email was sent out in September to individual clients with whom the IEHP project team had frequent contact. This strategy proved to be much more successful; of the twenty-five emails that were sent out, fifteen responses were received representing a response rate of sixty percent. As anticipated the response rate was highest from those clients that the requester personally had regular contact with. Unfortunately due to time constraints no further individualized emails were sent out.

Various explanations are possible for the low response rate: many clients that received the September individualized email requests responded that they did not receive the earlier mass email. It could be that the mass email format might have triggered spam filters in some client's email accounts. The content of the email might have been too dense, or alternately, not clear enough in its message (see Appendix C). It should be noted that only those individuals who were either fluent, or at a sufficiently high level of English responded to the request. The content itself, might also have been unfamiliar to those individuals with little banking or financial experience. Finally, clients just might not have been interested in this initiative, or felt that the situation did not pertain to them.

Although this sample size was far too small to be able to be used to make generalizations about the larger IEHP Atlantic community, a few trends did seem to be evident. First, those individuals who either had spent the most time in North American society or came from similar western cultures looked more favourably upon the concept of microcredit; second, individuals who are visitors, and hence not eligible for any type of credit lending, were most likely to express a personal interest in the project; third, the majority of respondents, sixty one percent, were either personally not interested in a program of this nature or expressed apprehension about borrowing money under these circumstances. The exceptions to this were people in the nursing profession; people who felt much more confident in general about their future job prospects.

3.2 THE STORIES

The following quotes represent the wide variety of responses that were received. They have been colour coded to represent their general attitude towards a microcredit lending program:

I'm glad there is finally someone has noticed the issues you're about to discover".

PEIANC Client, August, 2009

*I think Microcredit lending may be a good thing actually being \$1500 out of pocket today!!! It is hard to afford to pay for exams when you have lost your source of income and are earning a lot less than previously, or nothing. And as you rightly say, credit is a HUGE issue. Even for us coming from the *** we couldn't get a credit card for six months unless we gave the bank the money up front as security, which frankly we couldn't afford to do. I imagine getting a loan would be tricky too.*

PEIANC client, September, 2009

Hi I think microcredit could be invaluable if done right...For someone with limited credit or does not have the ability to get a small loan from the bank for whatever reason, he/she goes to someone from whom he can secure that \$1000 short term.

PEIANC client, September, 2009

Personally, I try not to put myself in that situation and I do not like to borrow money if I do not have a job (or not sure if I get one) but I can see your point, some people need to borrow anyway. So I guess it is a good idea to have that option.

PEIANC client, September, 2009

Personally, I am very conservative, so I never get a loan with a high interest rate when I am not sure if I can get a job to pay it off, but in some situation maybe it is worthwhile for people to solve their problem.

PEIANC client, September, 2009

I'd go for saving the money rather than borrowing at higher rate of interest. In situations where the need to have the money is great, then borrowing from a family member with a contract signed may be appropriate.

PEIANC client, September, 2009

I would prefer to wait and earn money for myself.

PEIANC client, September, 2009

Personally I am not interested in this kind of project as I have a credit card already. Let's answer hypothetical question. If hypothetically I need money and I don't have a credit card would I borrow from "microcredit project"? It depends. Basically, no. Because: .. I would borrow money from student loan or the bank which gives me a good rate. If I can't get the student loan or mortgage I have to wait.

PEIANC client, September, 2009

In my case I would feel the same way, unsure, afraid of how to pay back this money if I did not have a good job to see things from a clear point of view. I felt very unsure of what was going to happen to me in terms of work.. and what kind of work? I do not want any kind of work.

PEIANC client, September, 2009

A special thank you to a client and her husband who provided this invaluable insight. She states,

"I think it is important to consider our background systems. e.g. what happens in China, how do those people borrow money? Under what conditions? Do they borrow from their families? What happens in Venezuela?" (Personal communication, September 29th, 2009)

In essence, is there a cultural mindset about borrowing money that needs to be addressed? If this is the case it might be necessary to conduct financial literacy classes with potential clients prior to launching such a program. This is not to suggest that new immigrants lack financial skills or experience, but that they may lack Canadian financial skills and knowledge. For example are clients aware of Canadian rules concerning deposit insurance and what securities and financial instruments these laws cover? Care must be taken to not view a microcredit program only through a "Western" lens.

Although a uniform desire for a microcredit program was not expected, the number of clients who did not embrace the concept of microcredit financing was surprising. It would be interesting to know if part of the reason for the apprehension stemmed from the mention of generally higher interest rates in the survey letter, or from fear of the unknown and the possibility that they may not obtain the job that they are (re) training for. This would be an area for further consideration.

Research conducted by SP Consulting (2008) seems to suggest that the latter may be the case. In this regard, they found that “immigrants themselves are often loathe to borrow for a bridge training program which cannot demonstrate a high job placement rate-and few programs can produce statistics showing a high probability of a return on investment, or ROI. In this aspect, immigrants are no different than the Canadian born borrower who is also concerned with the potential ROI that comes with taking on a loan.

3.2 THE DECLINE IN SOCIO-ECONOMIC STATUS

This fear and apprehension that many clients expressed is not unfounded; many studies show how recent immigrants despite their generally higher levels of education in comparison to the Canadian populace, are doing more poorly economically than their Canadian counterparts, and are also doing worse than previous generations of immigrants. A Statistics Canada Longitudinal Survey of Immigrants to Canada (2005) found that the immigrants that have been arriving since 1990 are the most educated cohort on record, yet the gap in low income rates between immigrants and the Canadian born population has widened. Once more, according to Li (2005) this cannot solely be accounted for by difficulties with licensing and credentialing bodies, and or lack of Canadian experience.

Research carried out by both sociologist Peter Li and Statistics Canada clearly indicates that the experiences and education of immigrants from non Anglo-American countries are immediately devalued upon their arrival in Canada, often to the extent that many professional immigrants are unable to find work in their field.

This sentiment is also shared by CapacityBC (2006) who argue that this ‘transition penalty’ is related to the county of origin and to those who belong to visible minorities. However, Reitz (2005) believes that trends in immigrant’s earnings were impacted more by changes in the educational attainment of the native born population than changes in immigrant’s level of education; so care must be taken when looking at and interpreting these trends. This too is an area for future research.

Without addressing these possible structural and systemic racial barriers, the provision of financing will do little to help the plight of new immigrants. If however, microcredit financing is viewed as part of a comprehensive strategy that really seeks to uncover and address these aforementioned issues, than perhaps the ultimate goals-successful integration into Canadian society, and the acquisition of skills commensurate employment will be more likely to take place.

CHAPTER 4: ENVISIONING A NEW MODEL

4.1 THE OPTIONS/ THE COSTS

“This is a simple program but one that is needed. If we can help a few immigrants every year to live their Canadian dream then it is worthwhile” Credit Union Manager

SP Consulting, 2008

In the Final Report (2003, p.) prepared by Social Investment Organization, and Riverdale Community Development Corp. on the state of community investment in Canada they found that, in general:

Community investment funds in Canada cover some of their operational costs through interest, administration and membership fees. However, the cost of lending, including technical assistance, is greater than what can be generated from fees. Administrative costs not covered by interest and fees are met by grants and contributions from a variety of sources. Most funds share administrative expenses with their “parent” financial institution or organization. Depending on the region where the fund is located the main sources of administrative monies are: credit union operating budgets, Human Resource Development Canada, regional development agencies, provincial governments. Donations and grants from individual corporate donors and foundations.

The findings of this research report were also in line with the aforementioned report. No instances of self-sufficient lending programs could be found. So in this aspect, unless an organization was to charge exorbitant interest rates, which undoubtedly would generate little interest in the community, a microcredit program for IEHP’s in Atlantic Canada cannot be self sufficient in the strict sense of the word. However, steps can be taken to minimize volatility in funding and hopefully contribute to greater longevity of any microcredit program. Having said this, however, it should be remembered that ultimately the goal should be cessation of any type of such program, as it is really a stop-gap measure put in place to help offset the barriers created by larger systemic and complex issues in immigration policy and procedures. According to Coyle et al. (2006) a major part of Calmeadow’s agenda when in operation was not to become a lender themselves, but to “get commercial banks to realize the potential of microfinance and normalize it within their operations” (p.11). The difficulty, of course is that most financial institutions, even credit unions with social mandates, are unwilling to take over existing programs. According to an evaluation of the Maytree/ Alterna Savings program conducted in 2008, “the program’s market partner (Alterna) is not willing to take over the program because of its small financial return, and the staff time required to screen applicants” (p.2).

George Brown, Program Manager at the Ottawa Community Loan Fund, in speaking about the program offered at his agency said that since its inception the number of people needing to access the fund has been declining as the government of Ontario steps in to incorporate many of the ‘bridging programs’ offered to immigrant professionals under the larger government student loan system (Personal communication, September, 2009). In addition to this intervention, governments also help offset program delivery costs through increased levels of funding to the operational budgets of the organizations and agencies that deliver the programs. This is not to suggest that all levels of government are currently contributing at a level such that individual IEHP’s no longer need to access financing. Depending upon the region the individual lives in, the particular program they are interested in, and or their profession, the funding levels provided may be increasing or decreasing.

During a recent review of the CEHPEA website, <http://www.cephpea.ca/news/index.html#227> the following notice was found:

August, 2009

Aug 17, 2009

Important Notice: Change in Specialty Assessments

Based on our current funding, we have conducted a review of our evaluation and training programs and have decided to discontinue the current process for specialty assessments. Please note that this change is effective immediately and applies to all specialty areas.

CEHPEA will now only conduct specialty assessments at the request of health care facilities and medical schools as positions become available and based on acceptable funding arrangements. We expect that this change will further streamline the process for internationally educated specialists seeking positions in Ontario. If you have questions about specialty positions in Ontario, please contact the Health Force Ontario Access Centre at:

Toronto: 416-862-2200

North America: 1-800-596-4046

International: 1-800-596-4046 ext 4

Creating a sustainable microcredit lending agency/program is not going to be easy, and in some cases organizations may find that their ability to lend may vary throughout the year and on a yearly basis. Changes in government, changes in government priorities, market conditions, and public sentiment all can potentially influence the financial stability of such proposed programs. With the recent downturn in the economy, many private foundations, which rely upon positive returns on their investments, significantly curtailed their funding of non-profit agencies and programs, and in some cases ceased all contributions. For example in January of 2009 the McConnell Family Foundation posted notice on their website that they would be unable to support any new proposals at that time due to the poor economy.

During one of the key informant interviews conducted for this report, a representative from *Vibrant Communities Saint John* commented that over the last few years they have needed to become more innovative in securing capital as their access to federal funds declined. So far, they have been able to find alternate sources of funds, including municipal support, but this should serve as a warning to any organization that believes that securing stable funding from a single donor will be an easy endeavor. The findings of the aforementioned national study on the community investment sector also stated that one of the key challenges facing the sector was unfortunately, “very limited sources of ongoing funding for these types of funds”. Additional challenges identified were: “attracting investors and capitalizing funds (regulations do not facilitate investment in community loan funds and there is a very poor understanding of the concept of community investing by the average Canadian investor” (p.10).

(Recent initiatives and tax credits in Nova Scotia provide some positive counter weight to these statements. Please see: <http://www.canadabusiness.ca/eng/summary/2379/>)

A strategy for how the organization plans to deal with fluctuations in funding levels needs to be put in place right from the outset; just as one would devise an investment portfolio that is capable of withstanding changes in market conditions, diversification is also an essential strategy when devising a funding strategy to sustain a microcredit program. The ability of the fund developer to be creative and seek out innovative funding solutions, cost saving measures, and create new partnerships will be essential. Gord Cunningham, in his presentation to the Yukon economic Forum: “Ideas Summit” (2000) made the following recommendations for anyone seeking to establish a microfinance initiative. Some of his main lessons learned were:

- Never call what you are doing a program as people will likely view it as here today and gone tomorrow. As a result they will either stay away or not take the loan repayment seriously.
- What your target borrowers may actually want and need may differ from what you are offering (Ex. loans vs. lines of credit).
- It is very difficult to reach large numbers of borrowers cost effectively if they are scattered among many rural communities.
- In order to be sustainable there needs to be a commitment to the principle of sustainability.
- There is one lesson that is clear the world over. They need to gradually become independent of donor organizations (pp.6-7).

There is an old Bangladeshi saying...

“When you walk with your hand in someone else’s pocket, you walk where they walk”

Of course, as previously mentioned, the transition to self-sufficient microcredit financial institution or MFI is often not successful, and is beyond the level of commitment of many NGO’s as microcredit encompasses only one small area of their daily operations.

4.2 SOURCES OF CAPITAL:

As we have seen the sources of capital for existing projects generally come from: credit union operating budgets, Human Resource Development Canada, regional development agencies, provincial and municipal governments, and donations and grants from individual corporate donors and foundations.

A review of the 2008 year- end financial statements prepared by Retzlaff and Wong for Momentum Community Economic Development Society shows that a large bulk of their program funding comes from The Calgary Foundation and The United Way. Unfortunately, many of the foundations that fund microcredit programs like the Calgary Foundation, the Maytree Foundation, and the Trillium Foundation, only operate within a specified geographical area and do not support programs in the Atlantic region. To compound the situation further very few National foundations exist that could be accessed in lieu of one of these provincial funders. The McConnell Family foundation is an exception, but even it has decided to move more to an education clearinghouse role than to an active lending role. Likewise, local United Way organizations that depend on public donations for funding are already having difficulty meeting the needs of existing community organizations and many organizations have had to suspend some of their services when their operating budgets run low.

The other major source of funding comes from government contracts with over 75% of those contracts coming from the Province of Alberta. In comparison to the western provinces, Atlantic Canada, with the exception of Newfoundland over the past couple of years, has been an economically depressed region. Provincial governments attempting to operate in this deficit-mode are less open and less able to respond to identified needs with new program funding dollars. Instead, it has been the federal government that has usually provided either the start-up money or ongoing subsidization for many microcredit projects. However, because the majority of this funding has been project based or issued as pilot-project funding sustainability and stability of funding has been an ongoing problem and has meant that many operations have folded when their funding ended.

Any organization thinking about initiating a microcredit lending program needs to either have the support of a local credit union, which according to key informant interviews conducted for this report has proven to be difficult in the Atlantic Region, or must have the backing of a group of committed and capable sponsors either corporate or individual (eg. the ten \$50,000 personal guarantees in place at HSBC bank) if they plan on having a sustainable program.

In lieu of this, the devolution of some recent immigrant employment services to the provincial government level has meant that small amounts of money may be available through LMDA funds, as is being done at MISA/HILC² in Nova Scotia. Each province will have its own requirements though and so no generalizations or recommendations can be given beyond pointing out that this may be a potential source of funds. A fuller description of this “Career Access Fund” program can be found in the next chapter of this report.

Finally, it is recommended that anyone interested in initiating a microcredit program locate and speak with their respective Community Fund organizations, or partner with Tides Canada, a national fund management organization. Partnering with these organizations is cost effective, saves on valuable human resource time, and requires less financial in-house expertise than if an organization were attempting to administer a fund themselves.

² New name adopted Immigrant Settlement and Integration Services (ISIS)

4.3 PRELIMINARY PROPOSAL AND REFINEMENTS

SP Consulting (2006) highlighted in their report the need to deliver bridge training initiatives, and other labour market initiatives for immigrants, within the context of a larger program that specifically addresses barriers to employment. A scan of employment programs in Canada demonstrates that a systems approach is a necessary component in any successful employment integration strategy (Alboim and the Maytree Foundation, 2002). Therefore any microfinance or microcredit initiative should be viewed as just one component of a larger employment integration strategy; failure to adopt a systems approach may only end up creating undue financial hardship for new immigrants as they struggle to repay these loans.

According to S P Consulting (2008) the key components of any successful financial assistance model are:

- **Case Management**
- **Concessionary lending**
- **Matching contributions**
- **Flexibility in what is covered**
- **Regulatory body involvement**
- **Partnerships with banks and credit union**

A local model that is meeting with success and adopts this “wraparound” strategy is the Black Business Initiative (BBI) in Nova Scotia. According to their website, <http://www.bbi.ca/> BBI supports the development of business and job opportunities for Black Nova Scotians through four primary activities:

- 1) **Training, mentoring and counseling** - the BBI has a dedicated training department where various business courses are offered; as well the training department can facilitate a mentorship program and counseling activities.
- 2) **Communication activities** - the BBI is proactive in its communication strategy. The BBI produces a quarterly magazine entitled "Black to Business", as well as an annual business community resource directory and annual report along with several brochures. The magazines, directory and annual reports are available on this site.
- 3) **Loan and equity lending** - the BBI has a repayable loan program accessible to all BBI clients that meet the lending criteria, and a community investment fund.
- 4) **Strategic Initiatives** - some of the strategic initiatives conducted by the BBI: trade missions, roundtables, 3 business summits, and a youth program.

It would be helpful for any Atlantic organization that wishes to proceed with a microcredit initiative to review their program in more detail and apply some of the key elements of their structure, like the training and counseling provided to clients, to their proposed initiative. According to Aidan Hollis, professor of economics at the University of Calgary, “for microcredit to really work, though, it requires a close working relationship between lender and borrower that goes beyond contractual obligation” (<http://www.albertaventure.com/tocfull/july-2009/?year=2009>). By success the author is referring to both business success and repayment success.

In an earlier March 2009 report prepared by Melanie Bailey, PEIANC staff member, a thorough review of existing microcredit projects in existence at the time of writing was prepared. As such, a reiteration of those findings will not be undertaken here, but the findings can be made available to the reader upon written request. In addition, two other reports have recently been released that also provide an environmental scan of existing loan programs for new immigrants (Maytree, 2008; SP Consulting, 2008). Both of these reports are readily available on the internet at www.maytree.com and the federal government HRSDC website.

A few changes have taken place that should be pointed out. First, VanCity Credit Union in BC, Canada’s largest credit union, is no longer operating an immigrant loan program. Interestingly, VanCity took over many of Calmeadow’s loans when they ceased operations in 2001. In contrast, WIL Employment Services in Ontario started up what they call a “Skilled Immigrant Loan Program” (SILP) that is similar to the one at Maytree/Alterna. According to Lisa Rusal, WIL program manager, WIL is not involved in the administration and repayment of the loans; Libro Financial carries this out. Instead they look after the earlier non-financial referral aspects of the loan (personal communication, September, 2009).

For those organizations that decide to proceed with a lending initiative for IEHP’s the following is a template for a program that could be adapted to suit particular local needs. It is based on best practices identified at existing lenders, earlier research conducted by the PEIANC, and draws heavily upon the programs identified at Maytree Alterna Savings in Ontario <http://www.maytree.com/>, WIL Employment Connections/ Libro Financial in London Ontario www.wil.ca and the grant program recently established at MISA <http://www.misa.ns.ca/>

What are the loan criteria?

- Loans are short term, one to three years, depending upon the purpose of the loan.
- The loans go towards training, licensure fees, exam resources or exam costs that would lead directly to employment.
- Training is provided by a credible community based or institutional provider that has an established track record and is recognized by the licensing body.
- The loans should be targeted to individuals who are entering high demand professions.
- The applicant must have sufficient command of English or French if in NB to be considered “job ready”
- Security will not be required. If an organization is able to partner with a credit union, the credit union may require security and a credit check to ensure that the individual does not have a history of default.

Discussion:

Organizations must be willing to be flexible and keep up to date with recent labour market trends. An employment category that is in demand one year may be on the wane the next. The Canadian government site *Job Futures* or the Provincial Sector Councils should be consulted on an ongoing basis in order to ensure that

up-to-date information is used. In addition, flexibility is important in deciding who will be considered for the loans; care should be taken to not exclude a particular profession outright because the job prospects are only rated as fair for that profession. The case counsellor may encounter an exceptional individual that he or she feels has a better than average chance of obtaining employment once registered.

It will be extremely important to have an open line of communication established between the regulatory bodies that govern these “in demand” professions and the organization. A letter should be obtained from the Registrar that is in charge of licensure for the particular profession to confirm that the training program the client is requesting is one that will be accepted by the regulatory body. Failing this, confirmation by way of a phone call to the registrar or the assistant should be obtained.

Although some microlenders try to secure loans with real or personal property, this will not be expected for an IEHP loan. This avoids having the cost of registering the chattel, and also having to deal with the possible cost of collection. It also sends the wrong message to clients, and is not in keeping with the “character” or “personal” lending style that is consistent with microcredit values. However the requirement that all loan proceeds be issued to regulatory bodies, bookstores, or training institutions is reasonable and offers the organization a guarantee that the funds are going towards what they were intended for.

It is also recommended that the case worker receive regular updates from the borrower on their progress. Finally, an organization will need to decide to whom or to what class of immigrant they will offer this potential program to. Currently Maytree does not fund those who are visitors, refugees, or Canadian Citizens. If the potential borrower is not a registered client of the organization registration must take place first, and all ID must be copied and kept on file.

What is the loan range?

- The maximum loan will be \$5000, and the minimum loan amount will be \$500
- If an applicant requires a second loan installment for another exam fee the maximum lifetime loan limit will not exceed \$5000.
- If an applicant’s training cost is substantially greater than the loan, the applicant must show that they have resources to cover the difference.
- Loans will be administered at a floating rate of prime plus 3% or an amount set by the partner credit union equivalent to the rate charged to borrowers who would fall in the median credit score range. Alternately, the rate charged may depend on if the potential borrower is a credit union member or not.
- An administration fee is not recommended, as it is not in keeping with the principles of fairness, and making financial products and programs available to all citizens regardless of their status. For example some lenders like the Ottawa Community Loan Fund charge administration fees of up to \$500 per loan. Although this may be financially prudent of them, the author feels administration fees are not in keeping with the values or mandate of the *Atlantic Connection* project.

Discussion:

In time, organizations might find that larger loans may be possible, but in the initial stages and to lessen the risk, it is recommended that smaller loan amounts be granted. However, if an organization feels that they have secured sufficient capital and they are able to administer larger loan amounts there is no overriding reason why this could not be done. The loan amounts granted may also depend on individual negotiations with potential

credit union partners. If for example the credit union is being asked to take on or to cover a larger percentage of potential loan losses, before the program is well underway and sufficient data on default rates is available, they may not be willing to accept the increased risk that accompanies larger loans. In the Maytree Foundation/ Alterna Savings agreement the split is 75% Maytree and 25% Alterna (www.maytree.com/). The interest rate charged, if not set by the NGO but instead set by the partnering credit union, may vary depending upon the IEHP's choice of options. For example a credit union may decide to charge a lower rate if the borrower opens an account with them or buys a share in the credit union. In order to maintain control over interest rates and offer a very competitive rate of prime plus 1.5% IAF in Alberta "required a substantial pool of capital, as well as the ability to guarantee the loan. Fundraising efforts secured corporate and private donations of \$500,000, which was deposited into a line of credit that borrowers would eventually draw from. Ten Calgary business people independently agreed to act as guarantors, in the case of loan defaults" (Maytree, 2008, p.7).

What are the loan repayment terms?

- If the loan is to cover training costs, the loans will become payable a maximum 90 days after training has ceased, or earlier if employment begins immediately.
- If the loan is to cover exam fees, the loan will become due and payable no later than 90 days after exam results are received.
- If the loan is to cover licensure fees, the loans will become due and payable 60 days after licensure in profession is obtained.
- During the training period borrowers are only required to make monthly interest payments.
- The loan is expected to have a maximum amortization period of three years.

Discussion:

Although 90 days is a shorter period of time than the typical 6 months granted to regular student loan borrowers, the loan amounts are significantly smaller than those taken out by University students and as such the monthly payments will be smaller and much easier to manage. Monthly interest payments while the borrower is in school or awaiting exam results should also be small and manageable for clients. If due diligence was done at the loan's outset and the right "type" of IEHP client was picked neither of these conditions should be difficult for borrowers to fulfill.

What is the application procedure?

- Applicants must have confirmation from the accrediting body that the training the applicant wishes to take will lead to licensure, or have a high probability of leading to licensure.
- Detailed information about the training program or exam must be provided.
- Applicants must complete an application form, fully disclose all assets and liabilities and other relevant credit history.
- Applicants must provide a current CV or Resume, or be prepared to create one with the case worker, along with one to two references depending upon the case workers familiarity with client.
- If employed proof of employment by way of letter or paystub(s) should also be included.

Discussion:

Traditionally banks require proof of 3 months continuous employment in addition to the previous year's Notice of Assessment (NOA) from Revenue Canada. This requirement might be too stringent if the person is currently unemployed or underemployed and looking at taking an upgrading program. Organizations should therefore use

their best judgment based on personal knowledge of the client and the reference letter(s) to determine what requirements they are comfortable with. As collateral is not being sought to secure the loan it is extremely important that the case-worker has had enough of an opportunity to establish a rapport with the client and therefore feels confident recommending the client for a loan. Ideally, once the referral is made the remainder of the loan application and disbursement will be handled by a partner financial institution. In this situation the potential borrower would be recommended by their case worker to a financial services officer who would then review their application file, conduct a background credit record check, and upon their approval disburse the loan. The final decision to grant the loan thus rests with the financial institution.

If however, an organization is unable to secure a partnership and still wishes to proceed it is recommended that a *loan review board* made up of volunteers from the community be established to further review the loan applications and make final funding decisions. This removes the funding decision from the case worker and thus helps avoid allegations of favoritism, which could potentially harm the client/caseworker relationship; this is especially important considering that these individuals may be working together for some time and a certain degree of trust and openness is essential if the relationship is going to be productive.

So as to not overburden volunteer board members loan reviews should be done on a set quarterly schedule as opposed to an ongoing basis. This arrangement should help case workers incorporate this activity into their current workload and keeps the organization from having to hire specialized staff for the loan portfolio. A review board consisting of four members should be sufficient. Alternately, the organization could recruit a larger pool of potential reviewers from which they could draw if one or more members were unavailable or the members recruited were reluctant to commit to the time requirement. To lessen the commitment that being a reviewer would entail an agreement for a period of one year would be a suggested timeline for length of service agreements. In selecting members it is recommended that at least one individual have either an accounting or banking background. Other members may include organization board members, community partners, past loan recipients, interested citizens or individuals drawn from the health professions.

A special thank you to Jan Kutcher, Employment Services Manager at MISA in Halifax for sharing the strategies they have found helpful in initiating a “grant giving” program they entitled a “Career Access Fund” that has been successful to date.

Other considerations

- *Loan loss reserves*- in addition to the capital required to administer these microloans a certain amount also needs to be set aside to cover potential loan losses. Typically most traditional banks set aside 5% to cover potential losses. Some existing microloan providers like the Immigrant Access Fund in Alberta is covered for loan losses under the government’s Western Diversification program. Unless a similar arrangement can be reached with the Atlantic equivalent ACOA, potential lenders will need to set aside a loan reserve fund. Currently the Saint John Community Loan Fund sets aside an equivalent to 30% of the loan value they have outstanding. Depending on the organization, and the agreement that they have reached with a credit union if a partnership can be established, they may find that they are comfortable with a lower loan reserve fund amount; 30% then should be seen as the maximum amount required. It should be remembered that many of the conversations to date between Atlantic Settlement agencies and local credit unions have not produced favourable results (personal communication, Melanie Bailey, 2009; Jan Kutcher, 2009). Like traditional banks, many credit unions have moved away from their grassroots beginnings and have come to approach a

structure that is operationally quite similar to traditional financial institutions. Without government backing to cover potential loan losses many are not interested in pursuing this type of lending as it yields little profit for them. Because small loans are generally not profitable and because the credit requirements are less restrictive than those required of “regular” loan applicants they also open themselves up to greater risk.

- *What do I need for start up funds?* To get a rough idea of what type of funding might be required by an Atlantic organization we can look to the current number of loans being disbursed in other areas. One of the largest micro-lenders in Canada is the Immigrant Access Fund (IAF) which is administered by the Edmonton Mennonite Centre for Newcomers (EMCN) and Momentum in Calgary; since inception in 2007 305 loans have been approved. However, the scale of this organization is beyond anything that would be needed in the Atlantic Region. In comparison, the Saint John Community Loan Fund from 1999-2007 administered 150 loans. Another smaller yet successful lender would be that of Maytree/Alterna Savings. As of last year Maytree/Alterna in Ontario had only disbursed 151 loans out of 440 total applications since 2001. This amounts to around 22 loans per year. If the full \$5000 limit was used by all 22 borrowers this would amount to \$110,000 in loan funds, plus the additional amount that would be required for potential loan losses. This amount, as previously discussed can vary from 5-30% depending upon what agreements the organization has made with any government guarantors like ACOA. The Ottawa Community Loan Fund began with 30 loans in 2003 and by 2008 was disbursing 11-12 (Brown, G. September, 2009).
- If an organization decides to administer the loans themselves and has partnered with a local Community Loan Fund than the amount available for funding each year will be drawn from the interest proceeds of the Investment fund. Depending upon market conditions the amount available for lending purposes (or potentially grant purposes) could vary greatly at any given time. Those interested in learning more about these funds may refer to www.cfpei.ca for an example. One of the advantages in pursuing these partnerships is that they handle all of the fund administration and investment decisions. In this situation no specialized staff with mutual fund or other securities licensing are therefore required to be on staff at the NGO's office.

CHAPTER 5: CONCLUDING COMMENTS

“While North America might be awash with credit, there appears to be concerns that opportunities to borrow are unevenly distributed. New entrants to credit markets, particularly immigrants and recently-separated women, may have difficulty obtaining access to credit”

- Toni Williams, Osgoode Hall Law School

The findings of this report suggest that new immigrants, especially IEHP's are not having their credit needs adequately met by the existing traditional financial system. Gaps remain, and to address these gaps microcredit programs administered by NGO's may be a short term viable solution, but only for some IEHP's. Care must be taken to ensure that the 'right' people are accessing the service to ensure that an undue financial burden is not being placed on the new immigrant. A bad first credit experience in Canada could have far-reaching effects for that individual and hinder them economically for years.

Furthermore, implementation of a successful microcredit program is partially dependent upon factors beyond the control of either the IEHP or the NGO. Initiatives and programs that have survived have either managed to create strong partnerships with credit unions, or have been able to diversify and find alternate sources of funds, or have been in a region with a history of corporate sponsorship or unique cultural traditions like those that favour communal forms of economic support.

There is no magic formula or fail-safe method that can be adopted by organizations wishing to implement a microcredit program. However, the preceding report does highlight some of the best practices to follow, possible obstacles that may be encountered if an organization decides to proceed with a lending program. Regardless of what route an organization chooses to go a commitment must remain to advocate on behalf of clients for larger systemic changes that will help address underlying issues that have created barriers for IEHP's such as: issues of professional protectionism, conflicting jurisdictional responsibilities, financial insecurity, minimal awareness of the issues facing IEHP's by the wider community, and a failure to acknowledge as Wayland (2006) suggests that “immigrant problems are Canadian problems” (II). Finally, and most importantly the 'voices' of IEHP's need to be heard within organizations and taken into consideration in any decision making process.

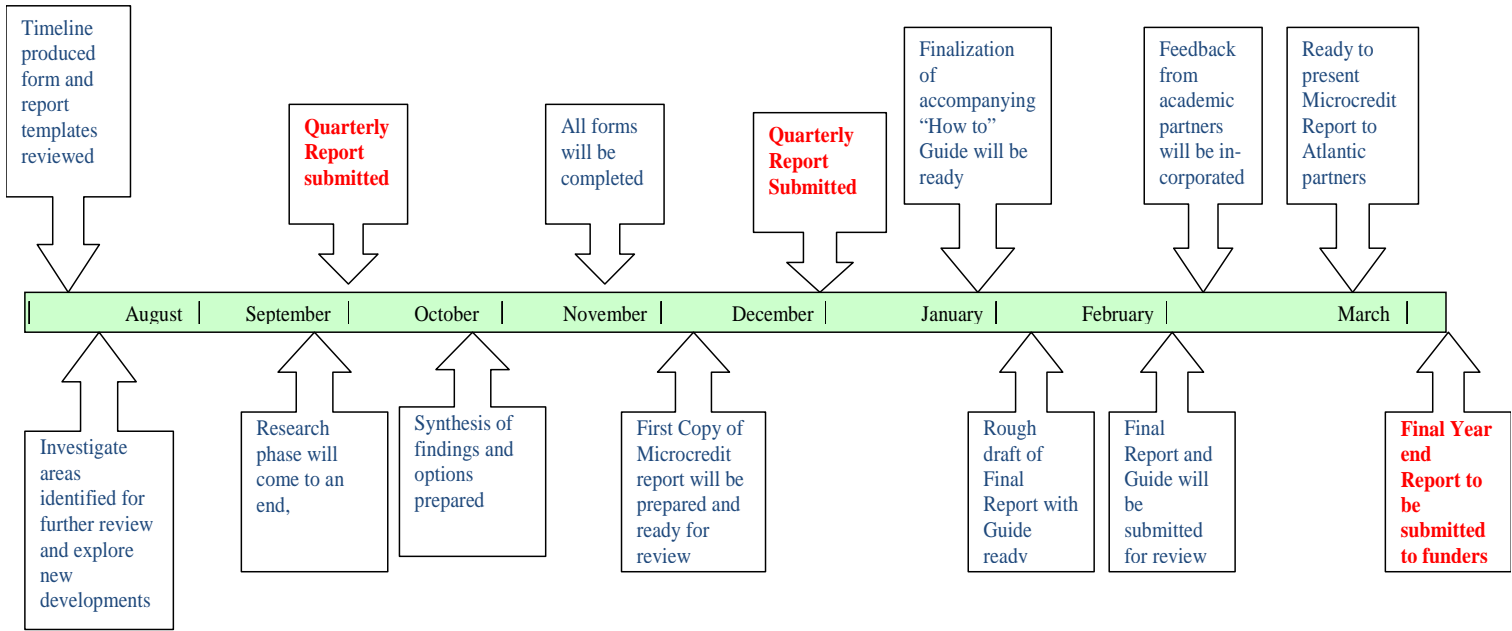
Failure to address these issues will impact all facets of society: socially, economically, and politically. Ratna Omidvar, from the Maytree Foundation highlights this point succinctly in the following statement:

We think too much in terms of “fixing the immigrant”. Instead, we must fix society especially in urban regions.



Appendix A

Microcredit Project Timeline



Appendix B

Microcredit Project

Timeline 2009-2010**REPORT INFORMATION**

| | | | |
|-------------|--|----------------|--------------------------------|
| Quarter: | For Second Quarter Microcredit Report | | |
| Employee: | Richelle Hume- IEHP Project Worker | | |
| Supervisor: | Melanie Bailey- IEHP Supervisor | | |
| Date: | October 26th, 2009 | Review Period: | July/1/09 to Sept/30/09 |

PRIMARY OBJECTIVE**Description:**

1. Produce a visual and written Timeline document to track progress.
2. Provide further explanation of the steps involved to complete project timeline goals.
3. Review a selection of report and form templates and decide on preferences.

Steps Required:**Number One**

- Produce two documents (this one, and visual timeline).

Number Two

- Set larger benchmarks as per Microcredit Project Goals as seen in Visual timeline and then decide smaller steps required in order to meet these targets.

Number Three

- Review Microsoft Templates and decide on preferences for style of report to be produced, download template and adapt it for Microcredit Report needs.
- Review and consider what other templates could be used in the final product- for example- application forms and visual templates.
- Review existing paper based copies on file to see what other examples have been collected by previous microcredit project workers. Sample forms will have to be evaluated in light of our needs.

2ND QUARTER GOALS/OBJECTIVES**Description:**

1. Decide on business model and form of legal entity to be adopted.
2. Investigate areas identified for further review and explore new developments; detail findings
3. Research phase will come to an end, and all meetings will be completed.
4. Quarterly Report prepared.

Steps Required:**Number One**

- Review document in file on types of business models and compare this to types used in other parts of Canada.
- Review Securities Legislation on PEI.
- Speak with an accountant on business tax possibilities, or alternately a professor at UPEI or Holland College.
- Review report in file on Prudential Regulation and possibility of creating an add-on entity to existing non-profit.
- Contact organization in Edmonton to discuss what type of legal entity they are and how they deal with taxation.
- Research organization that head of CED Canada recommended to me when I was in Ottawa.
- What would be a realistic start-up fund? How many clients to other organizations have that might fit into this category?

Number Two

- Look into Saint John Community Fund.
- Ottawa Professional Fund folded- contact them to find out why they ceased offering this program, and obtain their recommendations.
- Search out University scholars who might deal with this area.
- Research CED Canada and what they have to offer in terms of programs.
- Research work of Hire Immigrants Ottawa and their work in the area of "Work First" programming.
- Research Academic Journals through the University of Victoria.
- Do a further review through Google Scholar to locate any articles that I may be able to gain access to.
- See if I can locate anyone who was involved with *Calmeadow* before they closed.
- Contact other Atlantic settlement agencies to gain a better statistical profile of potential clients.
- Contact some of our clients to investigate PNP status more; alternately talk to ISAP to see if they know clients.
- Contact Provincial Government Department to discuss training financing.
- Follow up with NS Student Loan to see how they classify the Nurses Professional Development Centre.
- General Review of other professions that require exam licensure, and how many clients we might have in this area.
- Identify possible Federal and Provincial Funding Initiatives that might support a Microcredit project.
- Identify possible corporate and private foundations that might provide financial support.
- Identify possible agencies/ organizations that might be able to provide administration for such an endeavor.
- Look into possibility of ACOA being involved- contact ACOA to see if I can get Roger Wehrell's report (2002) to ACOA.
- Talk to clients- does lack of financing influence out migration? Alternately locate this information in Academic journals.
- Does the government will exist? Ask Kevin or Jennifer about the recent immigration strategy presented by the PEI government- get a copy of this.

Feb. 4

- Research the role of geographic proximity and how this can be overcome.
- Research possibility of Credit Union absorbing this project as per the Calmeadow recommendations-what are the barriers?

Number Three

- All meetings with above individuals will have taken place: UPEI professor, Calmeadow, Edmonton group, Health co-operative identified by CED, CED Canada, Saint John Community Loan Fund, other Atlantic scholars, ACOA, Credit Union, Department of Education PEI and NS, clients, other Atlantic settlement agencies, Ottawa Professional Fund, and any other individuals identified during the research phase.

Number Four

- Quarterly report detailing activities to date to be submitted to Melanie and then Jennifer and Kevin.

3RD QUARTER GOALS/OBJECTIVES**Description:**

1. Synthesis of findings and options presented and initial recommendations made.
2. Rough draft (first copy) of Research Report finished.
3. All forms prepared.

Steps Required:**Number One**

- Document alternate suggestions and those of WRIEN
- Be willing to adapt and move in a new direction based on research findings
- Compile information from past quarter into more simplified pluses and minuses format- noting restrictions identified
- Try to answer the questions raised in my initial report on reservations on existing model. For example- criteria for approval, and who will decide

Number Two

- Slot some of this information and other known information into research template that is started

Number Three

- Adapt Templates downloaded and in file into customized microcredit forms
- Decide on what is the essential information required for each form

4TH QUARTER GOALS/OBJECTIVES**Description:**

1. Final Implementation or "How To" guide completed.
2. Report for a Microcredit program in Atlantic Canada, completed. Ensure Final Report follows academic procedures.
3. Support, present, and address the Microcredit program to the Atlantic partners.
4. IEHPs, community partners, and stakeholders will be more informed about Microcredit initiatives, needs, and activities.

5. Final Year-end Report submitted to funders.

Steps Required:

Number One

- "How To" guide will contain all copies of forms prepared in third quarter as well as a basic step by step instructions on the order of steps to take.

Number Two

- Final Report (rough copy) will be presented to our academic partners to verify academic protocols have been followed and to add any recommendations.
- Incorporate feedback into final document.

Number Three

- Travel to Halifax or give to Melanie to present to Atlantic partners in Halifax next Spring.

Number Four

- Notify other parties that might be interested in this work such as the Department of Education, Charlottetown Chamber of Commerce and others. Prepare press release.

Number Five

- Submit Final report to Craig, and present report to Atlantic partners to pass in to Health Canada.



Appendix C

Hello Everyone,

For the next two months I will be devoting my time on Monday and Tuesday each week to a special project for the PEI ANC on Microcredit loans, and I would love your input on this project.

I feel that it is important that **you have your say**, and that your voice is heard; you are the experts here. In general, Microcredit loans are small loans made to either businesses or individuals to help with economic or social development or sometimes even to promote social inclusion. Typically, the loans obtained are smaller than those granted by traditional commercial banks, and/or are given to people who might normally not be able to obtain financing due to lack of employment, or no credit history in a country.

In our research what we are looking at addressing is the question of whether these small loans given to individuals to help cover the cost of exams, and “bridging programs” would be worthwhile and feasible to administer. Typically, because smaller loans are more expensive to administer the interest rates charged are higher than the norm. Having said this however, the small amounts of the loan usually help offset this disadvantage. I am in the process of calling around to other organizations across Canada to see how existing programs are keeping their costs down, and how they are doing obtaining long term funding for such projects.

So, please let me know what you think of this idea. Perhaps, lack of financial resources to go through the licensure process is not an obstacle at all, but other things would be more cost effective to tackle. The last thing you need is more bureaucratic red tape right? Likewise, maybe you love the idea and see a great need for it. Perhaps you have some ideas about how this process could be streamlined. Maybe you have some friends who would like to offer some input; if so tell them to email me. Whatever your comments no matter how short or long would be appreciated; hopefully together we can help improve things.

You can reference your own situation, a situation that you know of, or a hypothetical situation, you don't have to give me information about your personal financial situation. A comment like, “Nobody I know would need this” or “I could really use this service” would be just fine.

Eventually, by next Spring I will be producing a report for Health Canada. If you would not like to have any of your comments printed that is just fine I will use them for my own reference, but if you are OK with it I would love to include your thoughts in the report because I think it lets the reader know that the people most affected have been asked what they think.

I look forward to hearing from you,

Richelle Hume

PEIANC

Richelle@peianc.com

Appendix D

Key Informant Interviews

A Special Thank you to all of these individuals who took the time out of their busy day to answer questions and provide feedback on the project

Melanie Bailey, IEHP Project Supervisor, PEI ANC

Jennifer Jeffrey, EAS Manager, PEI ANC

Pam Garland, Asst. Executive Director, PEI ANC

Lisa Rusal, Client Services Manager, WIL Employment Connection

Mary Stack, Employment Counselor, SJMNRC

Hien Truong, Halifax Immigrant Learning Centre*

Seth Asimakos, Saint John Community Loan Fund

Jan Kutcher, Employment Services Manager, MISA

Joleen Amuzu, IMG

Marlene Moore, Internationally Trained and Educated Professionals NS*

Wendy MacDermott, Vibrant Communities, Saint John*

Katherine Liu, IMG

Metro Credit Union, Charlottetown PE

Keith Merry, Toronto Dominion Bank, Charlottetown, PE

Paul Boudreau, Registrar, PEI ARN

Don Currie, PEI Student Loan, PEI Government

NS Student Loan, NS Government

Semra, Employment Services Officer, MCAF*

Thilak Tennekone, Diversity Consultant, PEI Public Service Commission

Dr. Kim Critchley, Dean of Nursing, UPEI

David Bruce, Professor, Mount Allison University

Xinyue (Charlene) Zhang, International Student UPEI Nursing program

PEI Lending Agency, Charlottetown, PE

Sheila MacLean, PEI Recruitment Secretariat, PEI Government

Andrew MacDougall, Western Hospital Board, PEI Government

Stephanie Saunders, Program Manager/Communications Coordinator, Maytree Foundation

Dr. Don Wagner, UPEI Business Professor, UPEI

George Weatherbie, Credential Financial Strategies, Charlottetown, PE

R. Ghiz, Dominion Lending Centres, Charlottetown, PE

Patricia Saunders, Atlantic Health Connection, Dalhousie University

ARAISA meeting attendees 2008

Julie Alford, PEI Business Development

Human Resource Team, PEI Government

Susan Charlton, Instructor, RNPDC

George Brown, Program Manager, Ottawa Community Loan Fund

Henry Akanko, Director, Hire Immigrants Ottawa

Naomi Arron, Host Program staff, PEI ANC

Marcia Carroll, Executive Director, PEI Council of People with Disabilities

Marla Gidney, Office Administrator, The Community Foundation of Prince Edward Island

Don MacDonald, The Community Foundation of Prince Edward Island

Susan Holmes, Population Secretariat, PEI Government

* These individuals, although not interviewed, forwarded my request for information on to their contacts

Appendix E

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