

# Review, Implications and Follow-up

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## *Objective of the IMM International Conference*

1. Bring together a **collection of academic papers** related to the theoretical, methodological and practical development of Integrated Microfinance Management for poverty reduction in Indonesia and beyond
2. Provide a **community-based contribution** to the realization of the United Nations *Post-2015 Development Agenda for Sustainable Development Goals* (SDG 2015)
3. Establishment a **Global IMM Network** of scholars, students, and professionals and their institutions to provide a platform for documentation, discussion and exchange of ideas and results for the further development of the IMM approach worldwide.

ICIMM seeks to support and develop the overall mission of the IMM approach: contribute to solving the problem of failing microfinance to reduce poverty in Indonesia by providing an alternative approach of INTEGRATED MICROFINANCE MANAGEMENT to provide a community-based package of financial- and non-financial services to the poor.

## *Review*

Following the Welcome Speech on behalf of the Dean of FEB/UNPAD, the Keynote addresses 1 & 2 by representatives from CPA and UKM unfortunately missed their effect on the delegates of the International Congress as they remained limited to a presentation in *Bahasa Indonesia*, without any hand-out of an English translation.

The impression, however, was given, that both representatives of these national agencies continue to seek a monetary solution to the multidimensional problem of poverty, reiterating their approach of 'microfinance' or 'inclusive microfinance' without any reference to integrated microfinance management.

In contrast, the following Keynote Addresses 3 and 4 of Drs. L.E.H. Vredevoogd and Dr. Anak Agung Gde Agung linked up directly with the timely IMM approach as the subject matter of the conference, where the attention was respectively laid on the growing gap between the rich and the poor in various aspects and the development from macro- to microeconomic approaches.

Drs. Vredevoogd focused rightly on the great potential of a bottom-up approach from the community level, while Dr. Anak Agung Gde Agung indicated that today, the time has come in Indonesia to further disseminate the IMM Approach into wider circles of government, MFI and NGO in order to help to further develop and implement this community-based solution to the problem of poverty throughout the country.

In the **INTRODUCTION TO THE CONFERENCE**, the main guideline for the participants, the objectives of the conference have further been made explicit, while, again, a warning was given to avoid the recurrent misunderstanding between the conventional – and failing – approach of commercially-oriented financial approach of ‘inclusive microfinance’ by MFIs and Banks with the new approach of ‘integrated microfinance management’ by the local institutions at the community level.

In the INTRODUCTION, a strong appeal was made to the delegates to place Indonesia with its rich cultural heritage of indigenous knowledge, belief and practice with this new IMM approach on the world map as a great potential to achieve poverty reduction and truly sustainable community development (SCD) in the years to come!

The subsequent presentations of papers in the parallel sessions were in general characterized by less theoretical and more practical accounts of interesting examples of largely community-based approaches to strengthen the position of the poor and low-income families in the rural areas of Indonesia.

Again, several papers lingered on the practice of microfinance services, paying less attention to the important role of non-financial services to the communities. The critical lessons learned from the papers dealing with microfinance in Indonesia are interesting for further developing the concept of IMM.

The session I on Global Poverty & Poverty Reduction Approaches & Models has resulted in an interesting collection of papers, where, a clear insight has been provided into the various factors which are operational at the community level, providing a good basis for further implementation of the IMM approach.

The sessions II on Methods & Techniques for Poverty Measurement and Comparison and III on Microfinance & Inclusive Microfinance Lessons from Cases and Approaches have provided interesting papers on various models and cases in the field of microfinance, where the overtone, however, was characterized by ample ‘hard’ factors used by econometrists, while the socio-economic data, crucial in poverty reduction, were less represented in the case studies.

In contrast, Session IV on Indigenous Knowledge, Worldviews and Institutions for SCD, provided very interesting papers on the socio-cultural and spiritual context of IMM, providing a detailed insight into the

often for outsiders 'invisible' factors, which eventually are crucial for human behaviour in the socio-economic environment.

This Session IV has provided new data for the further development of the IMM approach, which are specifically important to be taken into account at the community level, where, after all, the largest segment of the poor people are living and surviving throughout the country.

As such most of these papers will help to improve the IMM model for applied policy planning & implementation.

Session V on Islamic Financing Principles & Practices for Poverty Reduction & Development has provided another collection of conference papers with an interesting dimension to the IMM concept, where lessons can be learned from the growing experience of Islamic banks in Indonesia in not only providing productive loans to the population, but also in providing social benefit schemes and related possibilities to contribute to the overall efforts of poverty reduction in Indonesia.

Our insight into Islamic banking principles in comparison to conventional banking principles of Indonesia will certainly serve our efforts to further attune the IMM concept to the needs and expectations of the communities, in particular of the poor and low-income families.

Today's Plenary Session of the role of banking and business organizations started to highlight the strategy of microfinance in Indonesia, exemplified by Bank Indonesia Programmes centered on the extension of financial services and the education of the community, and also draw the attention to provide food security to the clients in conjunction with local economic development programme.

The second presenter Mrs.Dr. Martha Tilaar shared with us her experience of the integration of local peoples' knowledge and practice on Medicinal, Aromatic and Cosmetic (MAC) plants into our approach of Integrated Microfinance Management, where Indonesia's richness has to contribute to the global strategy of integrated traditional and modern medicine.

Drs. Bambang Ismawan then highlighted the role of the unique community-based organisation of Bina Swadaya in the effort to reach sustainable development on the basis of the IMM approach.

### *Implications*

The implications of the International Conference on IMM include some of the following points:

1. the concept of the IMM approach has certainly begun to be well conceptualized in advanced academic circles involved in the global and national endeavor to reduce poverty worldwide;
2. similarly, the concept of the IMM approach has certainly begun to be welcomed at the community level, where people appreciate the ‘bottom-up’ approach and as such are well prepared to participate in IKS-based projects;
3. also, the first signs of the acceptance of the IMM concept, certain banks are now starting to focus on non-financial services, such as the focus on local economic development and education;
4. in contrast, however, the IMM concept has not been fully understood and internalized at the ‘top’, both in national banks and government agencies, which continue to think along monetary principles to try to reduce poverty by promoting ‘inclusive microfinance’, albeit in vain.

### *Follow up*

The follow-up of our International Conference starts today!

If we want to seriously provide a community-based solution to the persistent poverty in [Indonesia, we have to disseminate our concept and principles of the IMM approach:

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### *Conclusion*

As we have to conclude that our new concept of Integrated Microfinance is on the right track, but we also have to acknowledge, that our concept needs more dissemination and promotion, especially in the circles of commercial banks and MFIs, in order to realize our objective to reduce poverty and entire segment of the Indonesian population.

We focus now on the advanced publication of the interesting papers of our International IMM Conference, and, of course, on the forthcoming publication of the Springer book on IMM: *Strategizing Indigenous Institutions for Sustainable Development in Indonesia*.

In consultation with Dr. Anak Agung Gde Agung, I submit our idea in the context of further dissemination of the IMM concept to urge the Organizing Committee and UNPAD to promote press coverage on the basis of the impressive achievements of the International Congress and spread our message on a national scale in order to contribute to poverty reduction throughout Indonesia.

Thank you very much.

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