

# Letters

## *Reader Commentary*

RE: "KIVA AND THE BIRTH OF PERSON-TO-PERSON FINANCE,"  
BY MATT FLANNERY

I have read with great interest the issue of *Innovations* on Microfinance. I compliment the editors on their selection of articles and cases, and the authors for their stimulating discussion of issues and excellent case presentations.

I was particularly impressed by Kiva which is a truly innovative concept. Marshalling the power of the Internet to push the frontier of microfinance beyond its internationally recognized models opens up intriguing perspectives on the future. Person-to-person finance is a bold concept and a radical departure from conventional ways to expand the breadth and depth of microfinance's reach, eliminating intermediaries between borrowers and lenders be they NGOs or commercial banks.

Kiva's success in mobilizing funds demonstrates the power of creative use of new technology to introduce radically different approaches to achieve the same objectives. Raising funds directly from individuals rather than through institutions allows Kiva to reach small lenders. The focus on the critical role of the individual vastly expands the ranks of advocates, a strategy that environmental NGOs have successfully used to promote membership and build up political support. The maximum of \$25 that each lender can lend to an individual borrower encourages a willingness to support relatively risky projects that a regular microfinance institution might reject.

In its early years, Grameen Bank was dismissed by financial experts as an unsustainable experiment doomed to failure. A couple of years ago few could have predicted Kiva's dramatic success. It defied conventional thinking and expert opinion that advocated a strategy of linking microcredit institutions to commercial banking and giving them access to capital markets as the cornerstone of success and sustainability.

Finally, the direct personal relationship between small lender and microentrepreneur, while resting on a contractual business agreement, is not devoid of a heartfelt concern for alleviating hardship and poverty. It constitutes a powerful way to reach the large pool of citizens in the rich countries who despite modest means want to actively contribute to shaping a brighter future for the less fortunate worldwide.

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RE: “WINNING CITIZEN TRUST” BY JUHANI VIRA

In his article, “Winning Citizen Trust” (*Innovations*, Fall 2006), Juhani Vira documented many of the challenges faced and strategies developed on the path to successfully siting a nuclear waste facility in Eurajoki, Finland. His insights resonate well with recent experience in Canada. In late 2002, the Nuclear Waste Management Organization (NWMO) was entrusted with the mission of developing collaboratively with Canadians a management approach for the long-term care of Canada’s used nuclear fuel. In June of 2007, the Government of Canada accepted NWMO’s recommendation for Adaptive Phased Management.

Central to Vira’s account of the Finnish experience is the imperative to earn trust. Trust matters. The potentially divisive and difficult issue of siting a nuclear waste facility requires trust in each other and a collective ability to come together constructively and cooperatively. Behaving ethically and with integrity, honouring commitments and obligations and aligning interests with the values of citizens are fundamental. In this brief comment I want to reinforce two particular observations from Vira’s reflections.

First, Vira spoke of “reframing the issue” as a societal and social issue. Similarly the NWMO’s starting premise was that this complex public policy question required the integration of citizen values and objectives with scientific and technological knowledge, each informing the other. We believed that the NWMO could provide a platform for this important dialogue between science and society. Our mission statement integrated the elements of sustainability—taking a comprehensive systems view. Our search for a way of managing used fuel that is socially acceptable, technically sound, environmentally responsible and economically feasible suggested the need for insight from many disciplines and perspectives. A multidisciplinary team developed an assessment methodology that built upon the framework identified by citizens.

We attempted to discern and understand the values that Canadians hold dear. If we were to design an approach that would generate any degree of confidence about the long term, it had to respond to what matters to people, fundamentally. The exquisite logic of a scientific description or of an analytical process alone might not be convincing. It was our view that while specialists can describe for us what the risk is and even pose ways of mitigating that risk, it really is society that will determine what risks are acceptable. A Roundtable on Ethics helped the NWMO make explicit and ensure the systematic integration of ethical considerations into the way we conducted our work.

As in Finland, we too listened and learned. We sought genuine dialogue and multiple perspectives. We made a commitment to be inclusive and share our thinking as it evolved and was shaped by our investigations and interaction with Canadians. The intent was also to make transparent NWMO’s deliberations. And, as the participants struggled with the complexity and inevitable tradeoffs, com-

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mon ground emerged. People clearly articulated that the pre-eminent objective should always be safety from harm. They conveyed a sense of responsibility to each other, in all parts of the country and to future generations. They spoke of stewardship of our resources and environment. And they expressed an expectation that systems and institutions should be adaptable, accountable and inclusive. On these points, Canadians were consistent and clear. Ultimately our recommendation advanced a collaborative and iterative process in which citizens always play a legitimate role in making decisions, while at the same time creating conditions for productive movement forward.

Secondly, Vira emphasized the need for adaptability and continuous learning. During the Canadian study we were profoundly aware of the time dimension of our task. We were asked to propose a system which must meet rigorous standards of safety and security for periods longer than recorded history. No other public policy initiative had ever been challenged to perform over such time frames. Canadians do not know what technologies will be available to future generations. Nor do we know what changes there will be in institutions, values, political perspectives or financial circumstances. It seemed to us that any approach should embrace the precautionary principle and be grounded in concepts of continuous learning and adaptive management. We believed this to be the strongest possible foundation for managing the risks and uncertainties that are inherent in the very long time-frames over which used nuclear fuel must be managed with care.

Implicit in Vira's article is the conclusion that notwithstanding considerable research about the science, technology and engineering of possible storage and repository approaches, implementation has proven challenging. It is a continuing quest. Trade-offs are inevitable and will be difficult. Perhaps a key to best protecting the public interest, when we cannot possibly predict technological innovation or societal behaviour hundreds or thousands of years into the future, lies in committing to a strategy of excellence that allows us to learn and adjust to change.

As NWMO concluded in its final report, "what we can do is plan for the foreseeable future, act responsibly and confidently with the best science and technology in hand. What we must not do is pretend that we have all the answers for all time. A measure of humility will be essential as we move cautiously but surely toward the goal one step at a time."

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NWMOs final report and information about the study process is available at <[www.nwmo.ca](http://www.nwmo.ca)>.