

<p style="text-align: center;">FOUNDATION FOR JUSTICE MICROCREDIT PROGRAMME FOR INMATES</p>

The Foundation for Justice is implementing a socio-professional reintegration programme by granting microcredits to prison inmates so as to promote self-employment.

The Foundation for Justice is a non-profit organisation, which for the last two years has been pursuing, in cooperation with the Generalitat Valenciana (Valencia's regional government), the Spanish Ministry of the Interior and the Penitentiary Institutions Department, this successful and innovative strategy for preventing recidivism.

Three target groups have been identified: prison inmates, young adults (aged 18 to 21 years) and drug addicts. While the structure of the strategies does not vary significantly among these three groups, we shall be focussing on the second group because it offers the appropriate profile for this study.

The programme is for prisoners who are serving their sentence in an open prison system known as Grade Three confinement in Spain, where the prisoners are generally only required to sleep in jail. Prisoners are not, however, selected in accordance with a given criminal profile.

The Programme has clear phases:

1. The inmate's voluntary registration in the Programme after an information campaign has been run at the prison.
2. Three months of prisoner training relating to the creation and management of SMEs. Open to any inmate interested in taking part.
3. Prisoners present business plans for their future companies; mainly in the hospitality sector, call shops, laundrettes, etc.
4. Selection of the business plans. The best seven business plans are chosen out of the total number presented (25) to enter into the Programme. The Foundation has an Assessment Panel for this purpose, which works together with a Bank (Bancaixa, CAM or La Caixa savings banks) to undertake a feasibility study, evaluating any potential risks.

A loan of up to €25,000 is available to each selected proposal, and the Bank provides monitoring, with backing from the Foundation. The Bank makes payments directly to the providers and receives monthly repayments of the loan (for five years, with low interest rates and commission-free), so that money is not handled directly by the inmate, but rather through the intermediary of the Bank.

The seeds of this idea are to be found in *Lessons from the Poor*; in this book four Third World entrepreneurs showed that poverty can be overcome with work, private property, the market and freedom. The book, *Lessons from the Poor*, recounts this story.

Muhammad Yunus - Grameen Bank
1 December, 2005: V Foundation for Justice Prize
13 October, 2006: 2006 Nobel Peace Prize

Microcredits: small loans made to poor or low-income people who do not qualify for a conventional bank loan.

Foundation for Justice Microcredit “Climb Into the Rickshaw - 2007 Bangladesh” Programme: 100 euros. We purchase a rickshaw that we lend to a young man who will operate it, on the proviso that he repays 2 euros per week and that after one year he assume ownership thereof. At the end of the one year period, once our 100 euros have been recovered, we purchase another rickshaw, to be assigned to another borrower.

Microcredit Programme for groups at risk of social exclusion:

- Prison inmates
- Minors in reform centres
- Drug addicts
- Abused women
- Immigrants

Justification for the programmes:

National Action Plan for Social Inclusion in the Kingdom of Spain: “foster access to employment – promote participation in the labour market and combat poverty and social exclusion”

Designing tailor-made projects: information, training, professional experience, career guidance, monitoring and assessment (tutored)

Guarantee professional qualification: training courses

Support for project design and career guidance initiatives

Design is by the inmates themselves, as true stakeholders in the process of social-professional reintegration, with the same rights and opportunities as any other citizen to identify and develop their vocation.

Microcredits for prison inmates. Objectives:

- Train, raise awareness and support people in the design and implementation of their business project.
- Grant microcredit to enable professional reintegration for individuals in the target group.

Target recipients: individuals serving custodial sanctions, of good conduct, who are willing to participate (because they have a viable project and demonstrated entrepreneurial will), and need micro-funding because resources are lacking.

Microcredit granted:

- Creates opportunity for social and professional reintegration of prisoners
- Creates sustainable employment, enabling participants to gain a social foothold as it means re-incorporation into an ordinary social environment with integration into the world of production

Profits from professional activity:

- Income
- Responsibilities regarding social welfare contributions, taxation, administration, suppliers
- Physical resources required (raw materials, production costs, marketing costs)
- Agents involved: prison administration selects and recommends people to Foundation for Justice which manages and coordinates the programme
- Bank grants microcredits - €25,000 – and supervises repayment until end of period concerned

The Foundation for Justice - microcredits:

- Participates in awareness-raising among prison population and general public
- Advises on project design and drafting of business plan
- Monitors companies' plans
- Takes part in interim and final assessments
- Manages and organises training regarding technical aspects, ethics and business and microcredit management

Phases in the process:

- Selection: 1st and 2nd month
- Training: 2nd and 3rd month
- Approval and implementation: 4th to 12th-15th month

Selection phase:

- Reselection: prison administration 1st month
- Presentation of programme: Foundation (awareness-raising and opportunities) 1st month
- Selection: assessment team 2nd month

Training and business plan drafting phase:

- Training: 2nd and 3rd month
- Entrepreneurial training: how to create a business plan (idea, analysis of situation, marketing, production, human resources, financial resources, legal aspects, implementation)
- Social skills training (communication, assertiveness, negotiation)
- Drafting the Project – business plan: work conducted jointly with Foundation for Justice tutors 2nd and 3rd month

Example – the “El pinchito” Café:

Three-year sales forecast

Initial outlay

Assignment of lease €45,000
(Premises already set up for business, currently operating)

Cash register and credit card machine	€1,500
Café signs (luminous, external)	€2,000
Bond for rent (1200 month)	€3,600
Raw materials	€3,000
Advertising	€900
Creation of company (Using immediate deposit funds)	€3,600

Total: €55,000, with approximately €5,000 in miscellaneous expenses.

For this budget to be viable, I rely on income from coca-cola, beer and slot machines.

Monthly expenses

• Wages	€1,800
• Social security payments	€860
• ICO loan	€900
• Utilities (electricity, water, phone)	€600
• Rent	€1,200
• Consultancy services	€200
• Merchandise	++

The premises chosen already have a slot machine, which generates about 180 euros per month, and a cigarette vending machine which may provide a profit of approximately 100 euros.

Approval and implementation:

1. examination of project, 4th month: assessment committee (approval or rejection of Project and creation of implementation and funding repayment schedule)
2. commencement of business activity 4th-12th/15th month: Foundation, prison administration and Bank
3. monitoring 4th-12th/15th month: support tasks and weekly monitoring by Foundation for Justice tutors
4. periodical assessments 4th-12th/15th month: monitoring committee

End of programme: voluntary termination, disciplinary termination or completion of programme.