

Minute for Mission, March 21, 2004

ONE GREAT HOUR OF SHARING: *MICROCREDIT*

Good Morning (presented by Cynthia Correa):

When Diane gave me all the information about what the Church is doing in the area of missions it was overwhelming. The Presbyterian Church has many wonderful programs that we should all be proud of. It did not take much reading to find the program that I wanted to talk about: micro credit at the grassroots level. My experiences as part of a family in a third-world country have shown me that this is a program that is very efficient and is one that works.

What is micro credit? A lending policy that depends on community trust, rather than reams of paperwork, that gives people access to the financial resources necessary to make a start. A support network of other folks succeeding in micro enterprises quickly forms to help others just getting started. An example of micro credit would be lending someone \$500 to purchase a sewing machine and enough material to make the first dozen items. When the items sell, some of the money is repaid, some of the money goes to purchasing more material. This is repeated until the money is repaid and the business is firmly established. The budding seamstress will have the expertise and resources of the program directors and other micro credit borrowers to help her every step of the way.

Why are loans, even on a micro level, a better way of helping people achieve economic self-reliance than giving them grants? In the first place, grants often create a sense of dependency and erode the attitudes needed for an enterprise to succeed on its own. Loans operate within a relationship of dignity and mutual respect. Finally, repayment of the loan allows the original lender to lend the same money over and over, making it a more

sustainable mode of assistance than a one-time loan.

Micro loans are not a panacea for all that is sick and broken in our world. They don't directly change the structures that keep people in poverty, and without a skills training component, they can even set people up for failure. But done right, micro credit gives individuals a way to take incremental steps toward self-reliance. While it is targeted at individuals rather than at the structures that makes their lives more difficult, it can slowly erode those structures by providing an alternative model. Finally, it can build into its loan criteria factors such as ownership by minorities or environmental soundness that other modes of development may ignore.

Jesus instructed his followers, “Love your neighbor as you love yourself.” Is there any of us who would not consider it more loving to be treated as an equal than as a charity case? In offering people the opportunity to borrow a small amount of money to take small steps on their own to improve their lives, we give them power to make the change themselves. When they have repaid the loan, they know they have the ability to go further. When we give generously to One Great Hour of Sharing, we enable its programs to offer such micro loans to more and more people. Let us witness to the love Jesus shared with us by sharing it abundantly with others today.

Thank you.

As always, mark your check “One Great Hour of Sharing”