

ABSTRACT

Microenterprise Development: Connecting the Christian Business School with “The Least of These”

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This paper examines the use of small, often home-based business development in both economic and evangelistic work with the world’s poor. The authors focus their study on efforts in West Africa through the ministry of World Vision International.

Ms. Christine Hahn served as the Regional Communications Manager for West Africa for World Vision during 2002-2003. Dr. Jerrald Fox, Professor of Management at Anderson University’s Falls School of Business (AU), visited World Vision’s West African regional offices in Dakar, Senegal in March of 2003. Together they interviewed microenterprise development (MED) program directors, World Vision administrators and, most importantly, the families who have been helped by MED programs. Their literature review encompassed governmental agency reports, internal reporting of private relief agencies, and the personal writings of veteran relief and development workers. Additional economic analysis was provided by AU’s Dr. Barry C. Ritchey, Professor of Economics.

This study became especially timely this past July as U.S. President George W. Bush traveled first to Senegal and then across the African continent to bring attention to the vast needs of the poor. This paper highlights the president’s comments about trade, small business development, and the partnerships between government, higher education, and the church.

Lessons both from successful MED efforts and those that have failed are discussed. Suggestions are offered regarding micro- and macro-level changes that can multiply the effectiveness of MED in raising the poor out of economic and spiritual poverty.

Most importantly, the authors emphasize the common missions of those working in MED and Christian business faculty. A biblical base for these efforts is presented culminating in a call to prayer and action by Christian business educators. Contact information is provided to connect CBFA faculty with colleagues and organizations which desperately need our help to make use of MED to help “the least of these” find hope and abundant life in Jesus Christ.

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Short, sparse clumps of vegetation, eroded mostly by the Harmattan sub-Saharan winds, line the pothole filled road into Kaolack, the second largest city in Senegal, West Africa.

Women wearing brightly colored indigo dyed “boubous” set out as early as 5 a.m., making the three kilometer trek from their villages to the wells before the intense African heat starts beating down. The weight of the basins and the need for enough water for bathing, food preparation and drinking means the women must bring their young, school-aged daughters with them. They make the trek in the morning and again in the afternoon.

The water from this well is typically a chalky white and full of debris but it’s the best they can do. For dozens of generations, this has been life for most women and their families in Kaolack.

But increasingly, the lives of women in Kaolack are changing thanks to the introduction of Microenterprise Development programs (MED) operated by World Vision International, the largest Christian humanitarian organization in the world.

These families now have money for a variety of more nutritious foods and their daughters are now spending time in school instead of at the well. MED has transformed all aspects of life for women like Maimouna. Thanks to a small start up loan from the microfinance program of World Vision, Maimouna now runs a meal preparation business in her home.

Before MED, Maimouna had no money to visit the local health post if she became ill. The 3,800 CFA (local currency) it cost to visit the doctor and obtain an inhaler for her asthma was far beyond her reach financially.

Adding to her health woes was the fact Kaolack is filled with large piles of garbage from those living in the urban area. In addition, the high humidity levels aggravated her asthma and wreaked havoc on Maimouna’s health. But today, Maimouna has a big smile on her face.

“The money I make now gives me a big advantage in my health. I never used to be able to afford the inhaler or even the cost of transport to the doctor. But now, with the money I make from my business, I can afford my medicine.”

The extra money also has a profound impact on her children, added Maimouna. “I can now pay for my kids to go to school and that is a real change for me because now I am guaranteed that their health will be looked after because the doctors come and see them at school. Now, I can stay at home and spend more time with them instead of traveling to Dakar for work. I would like to thank World Vision for this.”¹

Due north of the country of Senegal, in the heart of the Sahara Desert, is Mauritania, one of the poorest nations in West Africa.

Aid workers describe the poverty in the city of Arafat, Mauritania as a "quiet catastrophe" that never makes the nightly news.

When World Vision began working there in 1994, there was no running water, electricity or latrines. It was, quite simply, a squalid neighborhood of 80,000 squatters which has been dubbed by relief workers as the world's largest refugee camp.

Most people in Arafat are former nomadic herders from Mauritania's interior who lost their flocks and way of life during the catastrophic droughts of the 1970s. These former nobles now make their living by selling charcoal, water, doing laundry or working as domestic servants.

Nena mint El Voulanji's muscular and calloused hands hint of her harsh life.

As a result of both Islamic tradition and local custom, Nena was illiterate. This is true of 79 per cent of Mauritania's women. In the early 1980s Nena married and had three children. When the children were young, her husband left. She had no money and no skills to support her family.

But Nena wasn't the only one in this predicament. More than 38 per cent of households in Arafat are headed by divorced women. The statistics are particularly high because traditional Muslim culture allows a man to free himself from marriage by merely repeating the phrase "I divorce you" three times.

But Nena and the women she met in Arafat found strength in numbers. She and six neighbors formed a co-operative, pooling what little money they had after selling their jewelry and other belongings.

One woman taught Nena and the others how to stitch and tie-dye material to make traditional costumes known as "mulawfahs." Mauritanian women cocoon themselves in these elegant gauze veils, revealing only their faces and their feet.

The co-operative's designs proved popular in the markets where new mulawfah styles are in constant demand. Each veil sells for the U.S. equivalent of \$10.

The group soon grew to 25 members but the business had cash flow problems. The women needed working capital and training in business practices.

One day a neighbor told Nena and her partners about World Vision's Road of Hope Urban Program (ROHUP) which operates a microenterprise development program. Since its inception in 1994, the program has provided loans, management training and literacy classes to small business owners.

All borrowers, most of whom are illiterate, must agree to take part in ROHUP's bookkeeping, budgeting, planning and marketing courses. Applicants must also submit a clear business plan, a budget and a cash flow statement. Loan repayment includes a 10 per cent interest fee in either cash or in-kind resources.

The ROHUP staff was so impressed with the women's initiative and potential, they received a loan of \$1,433 to expand their enterprise. In just over one year, they repaid the loan and later received a second credit of \$1,470 for additional expansion. The ROHUP microenterprise

development program boasts an outstanding loan repayment rate of 96 per cent. These repayment funds are then recycled into new MED ventures.

"Before World Vision's credit program began here in Arafat, women like Nena had good ideas but they had no way of getting capital money to begin a business. They had no collateral. They had nothing to give but their dignity," said Hapsatou Bal, a World Vision credit officer.²

Hope and pride are among the many dividends that World Vision staff is seeing in Arafat thanks to microenterprise development. Neighborhoods are cleaner, children are being educated and women who were economically powerless now have a chance.

"Thanks to the small businesses that World Vision is supporting, women now have something productive to do outside the home. They are learning new skills that help them become more economically independent. They can pay for their children's school fees and books and medicines. They have hope," said Marieme Mint Balal.³

PRESIDENT BUSH ON MED

These examples of microenterprise success in Africa have recently captured the attention of world leaders, most notably, U.S. President George Bush. Bush kicked off his five country visit to Africa in July, 2003 with a stop in Senegal, a country he chose to highlight because of its commitment to free enterprise and democratic government.

Bush recognized the potential for the emancipation of Africa's poor through increased economic opportunities, specifically through business ownership.

"One specific obstacle to development in many countries is the lack of access to capital. Many Africans find it impossible to get a loan for a business or a home. And this makes it far more difficult for people to build equity or to borrow money to start a business...With the ability to borrow money to buy homes and start businesses, more Africans will have the tools to achieve their dreams."⁴

To that end, in 2000 the Bush administration introduced the Africa Growth and Opportunity Act (AGOA). AGOA is supporting African countries that recognize the value of open markets and the important role that trade can play in development.

Bush later underscored that economic, political and spiritual success among the poor can only be sustained if there is a "partnership" between government agencies and private entities, including the church.

"To achieve our goals of a more peaceful, hopeful and prosperous Africa, we need a partnership of our governments. We also need partnerships among our people, our businessmen and doctors and bankers and teachers and clergy."⁵

Biblical basis for business enterprise in Kingdom work

All scripture quotations from the New International Version

In his book Kingdom Business: The Ministry of Promoting Economic Activity, Dr. David R. Befus contends that:

"The church needs to recognize that productive economic activity is one of many tools valuable for ministry. Economic development should be added to the 'ministry toolbox,'

along with health, education, and other traditional ministry disciplines... Though many Christian non-profit organizations have programs to confront problems of unemployment and are using different methods of promoting productive economic activity for poor people, these are often isolated and disconnected with the church. There is little integration of social projects and the presentation of the Gospel... [My hope is] to open a door for the church, so that it can take advantage of the techniques and methodologies of economic development for the Kingdom of God."⁶

Throughout the scriptures, the Lord commends entrepreneurship and labor among His people. From His direct word to Adam that it would be "by the sweat of your brow" that he would eat (Genesis 3:19), to the proverbs of Solomon which extol the virtues of diligent labor, God encourages His people to work to provide for themselves and others.

This same theme continues into the New Testament gospels. Jesus explained His purpose for coming to us this way:

John 10

¹⁰"The thief comes only to steal and kill and destroy; I have come that they may have life, and have it to the full."

Throughout the gospels we see that this full life Jesus promised began with relief from suffering and new hope for the poor. He taught that rather than steal, kill and destroy, He and His followers would build things that bless; things that last. When from prison John the Baptist sent his disciples to ask Jesus about His identity, he replied:

Matthew 11

⁴"Go back and report to John what you hear and see: ⁵The blind receive sight, the lame walk, those who have leprosy are cured, the deaf hear, the dead are raised, and the good news is preached to the poor."

It is clear that while His focus was on bringing people into His eternal, heavenly Kingdom, He was also concerned about their present suffering. After healing broken bodies and multiplying food to feed great crowds, he invited all people to enter by faith into an eternal Kingdom that begins here and now.

Jesus told His listeners that in God's economy a wise investment of the resources entrusted to them was to assist the needy around them:

Matthew 25

³⁷"Then the righteous will answer him, 'Lord, when did we see you hungry and feed you, or thirsty and give you something to drink?' ³⁸When did we see you a stranger and invite you in, or needing clothes and clothe you?' ³⁹When did we see you sick or in prison and go to visit you?' ⁴⁰The King will reply, 'I tell you the truth, whatever you did for one of the least of these brothers of mine, you did for me.'"

One who came to understand this combination of servanthood and divine provision was Paul. After his visitation from his risen Lord on the road to Damascus, Paul began to preach a gospel of faith that was to be lived out in the believer's personal labor. He taught that the fruits of the believer's labor and God's blessing should be used to provide for one's family, for others in need, and for the growth of the church. To several groups of new believers he wrote:

Colossians 3

²³Whatever you do, work at it with all your heart, as working for the Lord, not for men,
²⁴since you know that you will receive an inheritance from the Lord as a reward. It is the Lord Christ you are serving.

2 Thessalonians 3

⁷For you yourselves know how you ought to follow our example. We were not idle when we were with you, ⁸nor did we eat anyone's food without paying for it. On the contrary, we worked night and day, laboring and toiling so that we would not be a burden to any of you. ⁹We did this, not because we do not have the right to such help, but in order to make ourselves a model for you to follow. ¹⁰For even when we were with you, we gave you this rule: "If a man will not work, he shall not eat." ¹¹We hear that some among you are idle. They are not busy; they are busybodies. ¹²Such people we command and urge in the Lord Jesus Christ to settle down and earn the bread they eat.

1 Thessalonians 4

¹¹Make it your ambition to lead a quiet life, to mind your own business and to work with your hands, just as we told you, ¹²so that your daily life may win the respect of outsiders and so that you will not be dependent on anybody.

God wants His people to work and to give as acts of worship, gratitude and love. To enable the poor to "mind [their] own business" and to work with their own hands is to grant them the dignity and respect that comes from economic independence. And this assistance from Christian servants models for unbelievers the faith and charity of Christ's followers.

Dr. Befus brings this ancient biblical model into this new millennium when he writes:

"What a time for Christians to take a leadership role in promoting productive economic activity! Whereas managers in multinational companies focus on the marketplace of the middle and upper classes, perhaps Christians can begin to focus on successful business models for the 4 billion poor that are at the bottom of the pyramid, with less than \$1,500 income per year."⁷

Public, private, and NGO use of MED

It has been Christian people and organizations at the forefront of MED success. This has been recognized by government officials and supported with public funding.

For example, one of the largest agencies supporting microenterprise is USAID (Agency for International Development). USAID has spent over 30 years supporting microenterprise directly through loans and partnerships with private organizations such as churches or charities and through non-governmental organizations (NGOs) like World Vision.

According to its 2001 report, there is a desire by USAID officials to expand MED to much larger numbers of under-served, extremely poor households. The key obstacles to expanding MED include:

- Lack of access to private business consultants who could help connect the poor with marketing intelligence, advertising, communication, and accounting skills
- Lack of formal business registration and affordable business space for the poor
- Inadequate infrastructure; i.e., mail, water, telephones, transportation, that limits the potential for even successful enterprises to expand and reach broader markets⁸

Microenterprise development works primarily because it is accessible, efficient and affordable. It is accessible to the most needy because it allows NGOs like World Vision to break cultural norms and limitations and offer services to people who would be otherwise excluded, particularly women and the handicapped.

Before World Vision decides to launch MED efforts into a community, it first conducts market research. It selects eligible communities on the basis of:

- Level of poverty
- Number of microenterprises in the area
- The lack of access to formal financial institutions
- Political stability
- An acceptable level of male and female participation in economic activities⁹

Another strength found in World Vision's programs is pre-loan training. This is provided to first time borrowers and covers topics such as payment discipline and business basics regardless of literacy level. Based on their repayment records and credit needs, borrowers may then move on to higher credit amounts in a step-by-step process.

MED benefits the whole community

Economists will also note that anytime a new enterprise succeeds it will generate increased economic activity—a multiplier effect—that benefits the entire community. As the MED business succeeds, additional jobs are created in the businesses that supply it and its employees.

Microenterprise also works to bring some unanticipated benefits to communities as evidenced by a joint study between World Vision and George Washington University, released May, 2003. The study looked at World Vision microfinance projects in Peru, Tanzania and Uganda. In all three projects, significant improvements in health were observed after the microfinance programs began operation.

The logic behind these health benefits is simple: the loans led to business improvements, which then led to more disposable income for families. Families had more money to buy food (better nutrition) and more money for health care. This study is the first to highlight that link.

World Relief HIV/AIDS program coordinator Debbie Dortzbach recently described similar benefits to World Magazine. Writer Mindy Belz explains:

In Mozambique, the Wheaton-based relief agency is looking to finance microenterprise businesses as one way to halt the spread of AIDS. Why business development? Because the group discovered, AIDS was spreading fastest in areas where breadwinners crossed the border into South Africa and spend extended amounts of time away from family in order to work. Fathers indulged in extramarital sex, and returned to infect wives with the virus. Keeping the family intact by creating homegrown business opportunities is a way to discourage bad sexual behavior while promoting thrift.¹⁰

Helping the poor goes far beyond just the material benefits; it helps them discover their true identity, writes Bryant Myers in his book, Walking With The Poor: Principles and Practices of Transformational Development.

“The fulcrum of transformational change is not just transferring resources or building capacity or increasing choices, as important as these things are. But these things only

count if they take place in a way that allows the poor to recover their true identity and discover the vocation God intends for them.”¹¹

Myers raises important issues concerning work with the poor. Successful transformational development requires sensitivity and respect towards culture, tradition, spiritual beliefs and most importantly, the dignity of the poor. Allowing them to see themselves as God’s beloved children is the beginning of openness to His message of hope in Christ.

But, in the case of a country like Senegal, changing cultural attitudes is a complex and difficult task. It means overcoming centuries of practices that are deeply rooted in a form of Islam in which Marabouts, or spiritual leaders, are paid large sums of money in exchange for their wisdom.

In some cases, this can mean that a percentage of money that the poor earn through microenterprise ends up being paid to the marabout, creating a sticky situation for Christian groups like World Vision, said Torrey Olsen, the National Director for World Vision Senegal.¹²

World Vision has to show great discernment in choosing where and with whom it will work, said Olsen. World Vision opted not to work in Diourbel, Senegal because of the stronghold Marabouts had over the villagers, he added.

“People are in stark fear and spiritual-cultural-economic bondage! World Vision Senegal opted not to work in Diourbel because we saw that the money we would help women generate would go almost as much to enrich the Marabouts as to serving the needs of their children and their families.”¹³

There are, of course, other obstacles to successful microenterprise.

When MED doesn’t work

Why do MED projects fail? Mostly for the same reasons that all businesses fail. Poor planning and execution will doom small ventures in developing nations just as surely as larger ones in more developed areas of the world.

Proper market research, adequate capitalization, the recruitment and selection of capable leadership and staff, and a good strategic plan are all critical at the beginning. So is an awareness of local business laws, customs and required registrations. As the operation grows basic policies for operation, reporting, and accountability need to be written and clearly communicated to all workers. And information systems, though low-tech, are always critical to success.

According to Olsen, another obstacle is the banking system in African countries. Third world banks have shown little commitment to the poor. This, combined with a lack of competition in the banking industry leaves few options for the poor, said Olsen.

“Though research is proving...that lending to the poor can actually be good business, most banks do not have this paradigm yet and have not felt the need or desire to shift their product lines to small scale village level zones because they have not wanted to make the big initial effort of expanding their product line or have not wanted to get their hands dirty with the poor preferring rather to concentrate on their well dressed clientele.”¹⁴

What is needed for more success?

But there is success! Proper preparation, leadership, and training of MED project leaders have provided momentum and lessons for improved operations. But even great planning and operations at the micro level are limited in their effectiveness until we see some important macro-level changes in world trade.

A key obstacle to increased success for the small businesses born through MED comes in the form of trade restrictions among nations. An August 11, 2003 news report by National Public Radio (NPR) brought renewed focus to the effects of these trade barriers in Arab nations of the Middle East and North Africa.¹⁵

U.S. Trade Representative Robert Zoellick noted that U.S. efforts to promote free trade around the world can bring benefits far beyond increased incomes and higher GDPs. Free trade can also lead to the opening of societies that have oppressed their own people and their neighbors. He noted that along with new jobs and new markets for their production we may see greater tolerance and understanding, new human rights and freedoms, and the foundations of democracy.

Obviously, Zoellick's comments about openness to "freedoms" targeted the more civil issues of human rights. But such openness may also soften the hard soil of human hearts to receive the seeds of the gospel Jesus spoke of in His parable of the Sower. When it is Christian business people that provide grassroots assistance and model the love of Christ in their business practices, unbelievers' spirits may be opened to our message of hope in Jesus Christ.

The mission of the Christian business studies program

How, then, should this biblical message and the economic and spiritual achievements of MED direct our work as Christian business teachers? At Anderson University's Falls School of Business we clearly state our intention to be a distinctive kind of business program.

The mission of the Falls School of Business is to create an environment that will enable and encourage our graduates to be professionally competent, ethically sensitive, and informed by the Christian ideal of servanthood.¹⁶

In fact, the mission statements of many of the business schools and programs represented by Christian Business Faculty Association members express commitments to scholarly excellence, global sensitivity, and compassion after the model of Jesus Christ. It is our belief that MED offers faculty, students, and graduates many opportunities for experiences of servanthood and global business study.

How CBFA faculty and their students can help

It is our hope that this paper has built the case for the Christian business program to be linked with the world's poor. We believe that like all of His gifts, God blesses those of us with business expertise in order that we may use it to serve His people and His Kingdom purposes. In his book The Spirit of the Disciplines Dallas Willard writes:

"...to abandon the goods of this world to the enemies of God is to fail the responsibilities we are given at creation to have dominion, to rule over all life forms above the plants (Gen. 1:26).

Likewise, charity and social welfare programs, while good and clearly our duty, cannot even begin to fulfill our responsibilities of children of light to a needy world. It is pure delusion to imagine that they can. Specifically, they cannot take the place of adequately prepared, godly men and women who will assume the responsibility, under God and by

his power, of owning and directing the world's wealth and goods. Such people must rise up and, in union with Christ and his people everywhere, guide social, economic, and political processes so that the conditions that cause the need for charity are lessened to a point where that need can be met. Such men and women are the only ones who can effectively lead humankind to fulfill its ancient charge of supervision over the earth."¹⁷

We need Christian business leaders. And as Christian business faculty, we are being used of God to help prepare such leaders, and perhaps not only for work in Western, developed nations.

As we noted above, developing businesses with the poorest of the poor demands more than just knowledge of Western business fundamentals. To charge forth without an appreciation for the language, culture, legal, safety, health, political, and religious issues of the people we hope to assist would only frustrate us and dishonor them.

Fortunately, we need not reinvent this wheel. Several of our schools, churches, and related organizations have laid important groundwork in this field and merely need us to partner with them in their efforts.

Scott McFarlane serves as the director of Evangelistic Commerce and the related EC Institute. A regular participant in CBFA gatherings, he has much to share about opportunities for Christian business faculty and students to first prepare and then connect with business building that also builds God's Kingdom. Visit EC's website at www.EvangelisticCommerce.org.

Our colleague at Wheaton, Prof. Robert J. Bartel, directs The International Business Institute (IBI), a cooperative program involving colleges and universities of the Council for Christian Colleges & Universities. It is designed to give students in economics and business a distinctive opportunity for a term of study in the international dimension in these fields. You can visit IBI's website at www.ibi-program.org.

At our own Anderson University, we are privileged to have a long history of international study and service through our Tri-S (study, serve, and share) program. Our Falls School of Business faculty has expanded our curricular offerings to connect both faculty and students with needs and opportunities around the world. We are exploring ways to better prepare business students to use their skills and knowledge in the development of MED projects. You can check current projects at www.anderson.edu/tri-s/.

World Vision's Olsen reminds us as Christian educators that while it is a heady task to transform the lives of the poor, as Christ's followers we cannot turn away from our collective responsibility.

“Helping the poor to help themselves up through the world's structures of sin is an intellectual, spiritual, physical and moral challenge - yet it is an exciting one and one worth giving one's life and energies to. It is what Christ asked us to do and God blesses us while we do it (Isaiah 58:9-11).”¹⁸

We close our presentation with not merely an invitation for further dialogue, but a call to action. Doors are open to Christian business people that remain closed to other missionaries of the gospel. Please join us in prayer that we may all sense the leading and power of the Spirit as God may choose to use us and the business tools of MED to bring hope to “the least of these.”

¹ Interview by Christine Hahn, Communications, World Vision International, Kaolack, Senegal, March, 2003.

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- ² Interview by Karen Homer, Communications, World Vision International, Arafat, Mauritania, 1997.
- ³ Ibid.
- ⁴ President George W. Bush, Speech to 6th Biennial Leon Sullivan Summit, Abuja, Nigeria, July 12, 2003.
- ⁵ Ibid.
- ⁶ Kingdom Business: The Ministry of Promoting Economic Activity, David R. Befus, published by Latin America Mission, 2001, p. 15.
- ⁷ Ibid, p. 124.
- ⁸ "Linking the Poor to Opportunity," U.S. Agency for International Development report, March 2003.
- ⁹ "Microenterprise Evaluation," Joint study of World Vision International and George Washington University, May 2003, www.wvi.org
- ¹⁰ Mindy Belz, "Africa's Affliction," WORLD on the Web, September 9, 2000 archive.
- ¹¹ Bryant Myers, Walking With the Poor, Orbis Books, World Vision International, 1999.
- ¹² Interview by Christine Hahn, Communications, World Vision International with Torrey Olsen, National Director, World Vision Senegal
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ "Mid East Ripe for Trade Deals," National Public Radio report August 11, 2003.
- ¹⁶ Anderson University, Undergraduate College Catalog, Volume 66, 2002-2004.
- ¹⁷ The Spirit of the Disciplines, Dallas Willard, Harper San Francisco, 1999, p. 202.
- ¹⁸ Interview by Christine Hahn, Communications, World Vision International with Torrey Olsen, National Director, World Vision Senegal, 2003.