**Christian Microenterprise Development:**

***A Strategy for Discipling the Nations***

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*Introduction*

 Christ gave his followers a mandate to disciple the nations in a way that is consistent with all of his teachings (Matt. 28:18-20). Unfortunately, in the last century there has been confusion as to what discipleship looks like. The chasm created between evangelical and liberal camps has led to a bifurcation between the life-saving unadulterated message of the gospel and the life-giving social actions embodied by Jesus and replicated by his disciples. The purpose of this essay is to highlight a mechanism through which both can be accomplished; Christian microenterprise development (CMED) is a means through which followers of Jesus can bring good news to the poor in a holistic manner.

*Defining CMED*

In the words of David Bussau (2003), who largely popularized the concept of CMED, “The ultimate concern of Christian MED is to open the community to experience the Kingdom of God” (6). This is in part accomplished through “a development strategy that provides a broad package of financial services (savings, credit, and insurance) as well as other business development services (business training, marketing assistance, etc.) to entrepreneurs and the poor to enable them to operate their own productive economic activities” (2).

These types of services can greatly bring socio-economic uplift to the poor in the community, but it does not stop at the material level. The larger scope of CMED is to bring people into relationship with Jesus Christ. This combination makes it a viable way of working out the Great Commission. Again Bussau writes, “there remains great potential for MED to be an effective strategy in the Christian mandate of discipling the nations. MED can provide access to communities, it can address some of their physical and social needs, facilitate evangelism and discipleship, and achieve this in cost-covering ways that facilitate long-term ministry” (4).

 Grigg (2012) in his analysis of Bussau’s definition calls for further clarity and integration. He iterates that CMED is a part of evangelism and economic discipleship, not a separate activity, that brings the people under Kingdom economic principles as well as proclaims the good news of jubilee (4). In conjunction with Grigg’s analysis, CMED and all of its uses must be seen as part and parcel of the mandate to disciple the nations. It is not the fulfillment of the Great Commission in and of itself, but it can facilitate its accomplishment.

**Story 1:** Paul has a tailoring business in Kibera, Nairobi. He is part of a men’s *chama*, or small group, at a localMFI. The group meets once a week to contribute a small amount towards savings. The group also contributes money to a “merry-go-round” fund. Every week one member will receive the funds from the merry-go-round. The loan keeps recycling through the group until all have received a turn. After saving for three months, Peter is able to take out a loan for 15,000kshs (approx. $170 USD). He uses the loan to increase his business’ stock. He has been making and selling clothes for consumers only, but he plans to start forming contracts with local primary schools to start making school uniforms. If he pays back the loan in good time, he will be able to take out another loan for a greater amount, which he hopes will further expand his business.

*Argument for CMED*

Should followers of Christ support and engage in CMED activities? If the objectives and attributes of CMED are in line with those of the Great Commission, then yes. As mentioned before, CMED exists so that the community can experience the kingdom of God. It does this alongside the church in order to strengthen its members through identity restoration and empowerment as economic stewards (2003:6, 8).

What distinguishes CMED from secular microfinance institutions (MFI) is that it emphasizes the need for a personal relationship with Christ, is rooted in biblical beliefs, and works in tandem with the church to serve the community in a holistic manner that addresses all aspects of poverty – economic, spiritual, emotional, etc (2012:6). It is to the multi-faceted nature of poverty that we now turn our attention.

In order to evaluate the effectiveness of MED we must first analyze the issue it seeks to address. Poverty comes in many forms. First, and perhaps most obvious, is material poverty, a lack of resources and basic necessities. This is an issue largely concerning access to capital. Yunus (2007) writes, “[The poor] have no control over capital, and it is the ability to control capital that gives people the power to rise out of poverty. Profit is unashamedly biased toward capital” (141). In Maghanga-Mtuweta’s (2007) analysis, “The major stumbling block that keeps the rest of the world from benefiting from capitalism is its inability to produce capital. Capital is the force that raises the productivity of labour and creates the wealth of nations” (13).

 By providing capital, the poor are given the opportunity to invest in businesses and other income-generating activities (IGA) which will then enable them to realize their full potential and accomplish their goals. As Yunus succinctly puts it, “the cash they earn is then a tool, a key that unlocks a host of other abilities and allows them to explore their own potential” (140). It allows them to be “the architects of their own fate” (130). Getting to this point has significant implications for the recipients.

**Story 2:** Mama Linda sells fresh *mboga* (vegetables) on the roadside. She is able to make enough profit to get by. Her business suffers from seasonal changes, however, and fewer crops grow in the cold climate. This reduces the amount of crops she is able to purchase to resell, which in turn reduces her profit. She has recently been attending entrepreneurial training classes at a MFI and is thinking about how to improve her business. She wants to diversify her stock to include *mboga* and possibly fruits that grow in colder weather so that her business will not be so dramatically affected by the change in climate.

 Another aspect of poverty that CMED seeks to address is that of identity and human worth. This is a point of separation between secular MFI and CMED. While secular MFI can improve self-worth and self-esteem through economic empowerment, it will be anchored in material success rather than the accomplishments of Christ. It can lead to an achievement-based salvation that is only as good as the results of our efforts, which even at their best are of only temporal value. Rooted in Christ, the poor can begin to rediscover their identity as stewards of God’s creation and coworkers on a mission to extend God’s kingdom.

 One of the largest advantages to CMED is its restoration of identity through its financial services. Economic empowerment via microloans and entrepreneurial development helps to “[strengthen] people’s capability by focusing on their identity and [help] them recover their vocation in light of the word of God, [as well as]*to address the erosion of self esteem and direct people to the strengths and capabilities they already have*” (Mbola, 2009:2).

 All people have worth and value because they are created in God’s image; however, the poor have experienced a different reality. They have been told by banks and those with lending power that they are unworthy and unreliable to be trusted with capital, with a chance at a brighter future (Yunus, 2007:150). CMED rejects this approach and seeks to “unleash people’s potential” (172).

CMED gives people the opportunity to take control of their lives rather than being subjected to the forces of wealthy oppressors or natural catastrophes. After all, who is a more worthy candidate then they are to fight for their own cause? The poor are not ignorant or lazy, rather “once economically empowered, [they] are the most determined fighters in the battle to solve the population problem, end illiteracy, and live healthier, better lives. When policy makers finally realize that the poor are their partners, rather than bystanders or enemies, we will progress much faster than we do today” (136). The identity crisis CMED efforts seek to resolve is geared toward two groups: the poor themselves, to realize their full potentiality and humanity, and the rich, to recognize this truth.

**Story 3:** Tobias recently graduated from university with a business degree and is employed at a MFI. He does not earn enough at this job to make ends meet, and he has a passion for business. Using skills he learned from school as well as from his job, he started a jewelry business eight months ago. His business is only open on average for eight hours per week due to his other employment demands; however, he is able to use this brief period of time at key points during the day when young girls are coming home from school. He does remarkably well, earning around 500kshs (approx. $6 USD) per week. Some businesses make little more than this after a full week of operation.

 Many MED groups may unknowingly adopt this attitude against the poor. One example is to predicate reception of funds upon attending skills training. While training is usually a good thing, such a policy can lead MFI to overlook and undervalue the skills already present among borrowers. For this reason, Grameen Bank has precluded such practices (140).

CMED also promotes the healthy disciplines of saving and loan repayment, which tend to improve one’s self-worth and value. A 2007 study in Nairobi, Kenya, shows that 87 percent of participants had increased their savings after four years of entry into an MFI credit scheme (Maghanga-Mtuweta, 2007:33). By repaying loans, the poor are proving to themselves and the world that they are capable of fiscal responsibility and sound business practices. Yunus writes, “This discipline [of repaying loans] is meant to boost the borrower’s sense of self-reliance, pride, and confidence. To forgive a loan can undo years of difficult work in getting that borrower to believe in his or her own ability” (137).CMED is about much more than solely providing capital.

 CMED also emphasizes the eradication of spiritual poverty that is only possible through faith in the person and work of Christ. This is what ultimately makes CMED different than secular MFI. It promotes a change of worldview through which the services promoting social change can be accomplished in a loving and holistically transformative (heart, mind, body, spirit) manner in the lives of the individual and community.

*Issues with CMED*

 CMED is not a perfect institution. Its practice and effectiveness have been critiqued by many. There are inherent risks involved, and the system can be subject to several abuses which could severely endanger the already fragile situations for many of the poor.

 One criticism of CMED is that it does not have as great of an impact quantitatively as secular MFI because of its comparative lack of access to capital. If they do gain access to secular funding, they are likely to lose the commitment to Christian principles and holistic transformation due to pressures from secular donors (Bussau & Mask, 2003:2). Therefore, it is important for CMED programs to refrain from the temptation to expand too rapidly before being able to demonstrate the capacity to properly structure and manage the organization while remaining true to its ethos at every stage of growth (3).

**Story 4:** Winston is a young man who recently graduated from high school. He started his own business selling plastic containers and other household knick knacks. His young business is doing relatively well, and he is building his client base. However, his wife recently fell ill and was admitted to the hospital. His business does not yet earn enough for him to pay the hospital bill along with his other regular expenses. His MFI provided him with an emergency loan to help cover the cost.

 Linda Mayoux in her essay, *Micro-finance and the empowerment of women*, examines the efficacy of MFI in relation to women’s empowerment. She concludes that women’s empowerment is not a given, rather it must be an intentional goal and practice of the MFI. She writes, “Unless empowerment is an integral part of the planning process, the rapid expansion of micro-finance is unlikely to make more than a limited contribution to empowerment” (4). Mayoux is further unconvinced that MFI contribute much to women’s social and political empowerment. In contrast, she argues that macroeconomic policies and legislation further perpetuate gender inequality (15).

CMED programs must take note of her critiques and ensure that they stay true to the mission of discipling the nations. Only then will women be empowered economically, socially, and politically. Jesus saw women as equal members of society. If a CMED program is effective, many women will be able to access sizeable amounts of capital which will improve the lives of many in the community. A large enough impact of this kind cannot go unnoticed and will attract political and social attention which will lead to bridging the gap of gender inequality.

 There are potential risks involved in the world of CMED, those that can “cause harm to borrowers and savers, as well as families, local churches, communities, and the organizations that implement or may attempt the implement MED programs” if financial services are incorrectly applied (Bussau & Mask, 2003:3). CMED institutions must do thorough research and take as many precautionary steps as possible to achieve the greatest possible success. One such step is to plan to have a long-term commitment, longer than three years, with a given community (15). This includes building personal relationships with the community for at least a year before a program has been officially implemented.

**Story 5:** Jane is from the rural area in Western Kenya. She moved to the capital of Nairobi in the late 1990s to earn money so that her four kids can go to school. She began by supplying *omena*, a small fish, to local retailers. She uses her connections from back home to transport the omena from the rural area to Nairobi at a reduced rate. She operates her business almost entirely from her home. Once the omena are delivered, shop owners from all over Kibera come to purchase them from her. Using funds from a MFI, Jane is able to buy a large sack of omena for 7000kshs (approx. $80 USD) and sell them for 10,000kshs for a profit of 3,000kshs (approx. $35) per sack. She sells an average of two sacks per week. Business has been good for Jane, and her two oldest children have almost completed college.

 It is important for a church or any organization to recognize its limitations and recruit those with proper expertise to ensure the best delivery of a product or service. The Chalmers Center recommends that churches do not try to offer traditional microcredit but should instead focus on Savings and Credit Associations (SCA):

“There are three primary reasons that we think that local churches should not try to be providers of microcredit. These include the following: lack of technical knowledge, balancing grace (and forgiveness) with responsibility (and obligation) to ensure loan repayment, and balancing tensions between the developmental impact on clients, spiritual transformation of clients, and financial sustainability” (3).

 Finally, it is important for CMED programs to protect their image by differentiating themselves from traditional MFIs and bank lenders, which profit from their clients’ inability to repay loans. CMED institutions must create a different image, one that will convince potential borrowers of a social conscience and commitment for the overall improvement of the poor (Rhyne, 2001).

*Cruciality of CMED for the Great Commission*

 The main purpose of this examination of CMED’s principles, applications, and criticisms is to determine its effectiveness as a strategy for discipling the nations in accordance with the Great Commission. I have sought to highlight CMED’s holistic nature to address the issue of poverty on spiritual, socio-political, and economic levels. Perhaps its greatest feature is its approach to help the poor rediscover their inherent value and self-worth by providing access to capital that will allow them to unleash their full potential, drawing on the gifts and abilities that they already have. Followers of Jesus would do well to engage and implement such a tool in their efforts to make disciples and extend God’s kingdom.

**Annotated Literature Review**

Bussau, D. & Russell Mask. (2003). *Christian Microenterprise Development: An Introduction.* pp. 1-27. Waynesboro, GA: Regnum Books International.

Abstract

This work defines Christian Microenterprise Development (CMED), outlines its scope and intended purposes, and provides a framework for adapting it to one’s own context. The authors talk about its practical and spiritual benefits as well as warn readers about the dangers and abuses in running a CMED.

Maghanga-Mtuweta, F.M. (2007). *The Perception of Micro Finance Loan Borrowers on the Effects of Loans on their Businesses and as a Poverty Alleviation Tool*. University of Nairobi. Nairobi, Kenya.

Abstract

The author researches the perception of microfinance among the clients of microfinance institutions (MFI). The conclusion of her study is that “the loans advanced help in improving the business, increasing savings and improving the welfare of the borrower in the borrowers’ perspective;” however, the research also suggests that “MFI lend to people who have saved and have existing business, the claim that they are alleviating poverty does not hold water” (38).

Mayoux, L. *Micro-finance and the empowerment of women*. http://www.ilo.org/employment/Whatwedo/Publications/WCMS\_117993/lang--en/index.htm.

Abstract

Mayoux explores the relationship between microfinance and women’s empowerment. She explains the four pervading views concerning this relationship. She concludes that credit is necessary for women’s empowerment in economic, social, and political areas. Microfinance institutions do not automatically empower women; they must conscientiously make women’s empowerment a goal and priority.

Mbola, A. (2009). *Introduction to Businesses: Facilitators Guide*. Small Business Training Manual. Part 1. pp. 1-32.

Abstract

This small business training manual looks at how to create a small business, particularly in slum contexts. It is a facilitators guide to be used in group settings and training seminars. There are group activities to promote creativity and innovation in the market place for ordinary people.

 Mbola, A. (2010). *Business Leadership and Management: Facilitators Guide*. Small Business Training Manual. Part 2. pp. 1-57.

Abstract

Part 2 of a small business training manual, this section focuses on business leadership and management. It looks at how to run a business, profits and losses, planning for the future, saving, cost reduction, and personnel management among other skills.

Yunus, M. (2007). *Banker to the Poor*. pp. 1-30, 117-172. USA: PublicAffairs. Kindle Edition.

Abstract

Yunus explains the challenges and success of the Grameen Bank. He popularized microfinance institutions and his methods have been replicated all around the world. He stresses that the poor are worthy of credit and are the most motivated to improve their own conditions; therefore, banks should see them as partners, not problematic.

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Maghanga-Mtuweta, F.M. (2007). *The Perception of Micro Finance Loan Borrowers on the Effects of Loans on their Bussinesses and as a Poverty Alleviation Tool*. University of Nairobi. Nairobi, Kenya.

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Woodworth, W. (2007). *Comparing Apples and Oranges: Different Microfinance Strategies in Kenya*. Marriott School, Brigham Young University.

Yunus, M. (2007). *Banker to the Poor*. pp. 1-30, 117-172. USA: PublicAffairs. Kindle Edition.