

Pocket Change

Rev. Dr. Michael Tino

[Unitarian Universalist Fellowship of Northern Westchester](#) – February 22, 2009

© 2009 MICHAEL JAMES TINO

I was still in high school when I was first introduced to the work of Dr. Mohammed Yunus, founder of the Grameen Bank in Bangladesh, who won the Nobel Peace Prize in 2006 for his work empowering poor, rural women in his country through small loans, called microloans.

I'll spare you the six degrees of separation story, but suffice it to say that through friends at Cornell, where I'd eventually go to college, I began work with various groups supporting microlending around the world. Though that work was meaningful and productive, I moved on to other things, holding it near to my heart in the intervening years.

Last November, in our celebration of Thanksgiving, I gave out money and asked you to use it to make a difference. The things you did were just amazing; look for a full report in the March newsletter. A few of you, though, used your money to invest in microfinance—many through the organization Kiva, which facilitates microlending on-line at their website.

And that got me thinking about microfinance once again.

Shortly afterward, I read a story in the *Times* about a group of high school students in Nevada who raised \$25,000 to basically start their own bank lending money to people in Peru. (Friess)

And that got me thinking that microfinance was something that people of all ages could relate to—despite its really long name, it's something we can all understand.

By now, you've heard basically how it works: poor people, often in rural parts of developing nations, are offered small loans—usually no more than \$200—to start their own businesses. Like Kojo's egg farm in the story *One Hen*, these are small businesses, and they're related to the needs of the village. They're often, like that egg farm, businesses that produce both income and food for their owners.

The people repay their loans to their village cooperative—only then do the next people in the village get a loan. Because the entire village depends on each person paying back their loan, they support one another and each others' businesses. And the repayment rate is astoundingly high.

The village cooperatives, then, become owners of the bank. They encourage people to start savings accounts, and give out interest. They sponsor educational programs—teaching people how to read, how to run a business, how to manage their money, and other important skills.

Little by little, loan by loan, villages become more prosperous and self-sufficient. And the prosperity ripples outwards—thriving local businesses create demand for roads and electricity and other important projects like telephones and internet—things that these villages have never had before.

Call it the \$200 stimulus package. In rural Bangladesh, that's often all that's needed.

The students at the Meadows School in Las Vegas know that \$25,000 can do a whole lot of good.

The Grameen Foundation USA, founded and run by the person who introduced me to microcredit all those years ago, works on the scale of millions of dollars, touching the lives of some 45 million people in 28 countries around the world through local partners like Pro Mujer, the group with which those students are investing their money. (Friess, and Grameen Foundation USA website)

What I hope to add to this discussion is why it's something I care about, and why I think you might care as well.

First, like Unitarian Universalism, microlending appeals to people across the political spectrum. Liberal or conservative, capitalist or socialist, there's something in there you can like.

It is, after all, a program designed to help the poorest of the poor, empowering them to improve their lives, and leading to the gradual development of parts of our world that badly need it.

It is also richly tied to systems of capitalism—though it's not large corporations making the money, it's small businesses owned by individuals and banks owned by villages.

In this very morning's issue of the *Times Magazine*, there's an interview with an African Economist who believes that foreign aid given as charity has been harmful for Africa. Dambisa Moyo instead thinks that microfinance programs that put people to work are the answer. When asked what one should do if one wants to donate \$25, she replies "Go to the Internet and type in Kiva.org, where you can make a loan to an African entrepreneur." (Moyo in Solomon)

These programs are good for both individual people as well as entire communities—they appeal to people who believe in personal responsibility as well as people who believe in collective power.

But more than that, these programs have values behind them that I think echo the ethical teachings of our Unitarian Universalist faith.

For example, most microcredit programs seek to empower women in their communities.

In countries like Bangladesh, where people rural communities often also believe in conservative branches of Islam, making women the center of a development plan was a bold and risky move when Muhammed Yunus did it in the mid-1970s.

And yet ninety-seven percent of the loans made by the Grameen Bank have been to women (Grameen Bank website).

Why is this?

Dr. Yunus and others realized that helping women was the best way to help entire villages. Teaching women how to read, for example, makes it more likely that they will teach their children how to read. Improving the income of women and teaching them about nutrition makes it more likely that their children will have enough to eat. Helping women own property makes it more likely that the property will stay in the family.

And from the start, Dr. Yunus was determined to help the people who need it most—so he went to women, who did not have access to other means of making money for their families.

These programs are also based on the values of cooperation with one another, of openness in how we do business, and of democracy.

That last part is important. In the Grameen Bank system, each person has an equal voice in the way the bank is run. Each woman has a say in matters that affect her. Each member of a village bank votes on who gets the next loan, even.

Running a village bank using the values of democracy leads these women to demand (and to get) a say in how their village is run and how their nation is run.

But above all, microcredit systems start with the value that people know what's best for them.

It's not someone swooping in from outside, telling them how to run their lives, telling them what they need to do.

Only the first small donation comes from outside—from there, the people get to make their own decisions.

These programs begin with the value that everyone—even the poorest of the poor in the most remote village—has inherent worth and dignity, and should be treated with respect.

This is just a little bit about why I care about microlending. If this has your attention and interest, maybe there's some more we can do.

Perhaps you can invest some money in microloans—through Kiva or other organizations.

Perhaps we can look at beginning or supporting microlending in this community. Believe it or not, these programs run in the United States as well.

When Dr. Yunus won the Nobel Peace Prize, Hillary Clinton reflected on how he had also inspired microlending programs in this country. She wrote:

“About twenty years ago, Dr. Yunus traveled to Arkansas to help Bill and me set up microcredit programs in the United States.” She continued, “Since that time, in my travels in Bangladesh and around the world, I have had the opportunity to meet many of those who are participants in Grameen's programs and hear their stories of the ways in which these loans have transformed their lives. I continue to be inspired by the beneficial impact of these projects on low-income women and their families...” (Clinton on Yunus website)

Project Enterprise is a bank in New York City that has brought microlending to this very area. According to the Grameen Foundation USA, Project Enterprise has 395 clients all across New York City, and it has made loans of more than \$800,000 in the last ten years, supporting people in creating small businesses right near here—from beauty supply companies to authors of crossword puzzle books.

Perhaps Westchester County’s budding businesspeople need a microloan boost.

Even if I have not inspired you to found a microbank in Mount Kisco, I hope that you can leave here knowing that the small things that you do have effects beyond the immediate.

Your pocket change can make real change in our community, our nation and our world.

May it be so.

Works Cited/Consulted

Friess, Steve. “Turning Around the Idea of Student Loans,” *New York Times*, Dec 1, 2008.

Grameen Bank website, <http://www.grameen-info.org>

Grameen Foundation USA website, <http://www.grameenfoundation.org/>

Project Enterprise website, <http://www.projectenterprise.org>

Solomon, Deborah. “Questions for Dambisa Moyo: The Anti Bono,” *New York Times Magazine*, February 22, 2009, p.11.

Yunus, Muhammed. www.muhammadyunus.org, the official website of Dr. Muhammed Yunus.