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Microfinance: What ARE we doing?

Adam and I recently wrote an article for Relevant Magazine's website, which we called "Microfinance: Good News?" We challenged ourselves to address the question of whether microfinance is compatible with the gospel, partly because we thought Christians should wrestle with that question, and partly because we thought it was about time we figured out what we thought about the issue.

To summarize the article, we brought up three challenges that microfinance in a Christian context faces: to get people access to credit fairly, to deal with people of the world wisely, and to keep the higher purpose in mind through everything. It's that last one that gets to me. It's what makes microfinance next-to-impossible as a Christian, and yet it's about the only thing that keeps me going in microfinance.

Twice in the last week I've happened upon Bible verses where Jesus tells people "lend without expecting back." Great, we microfinance people respond. Jesus, don't ever try to be a business man. Good luck building anything sustainable. Guess we'll quit our jobs and go back to the old give-out-a-hand-out model.

And yet I stumbled upon that verse at a time in our project when it doesn't seem so incompatible with what we're doing. I look at what this project has done so far in its two and a half years of existence. We've learned to do a pretty good job of getting money back from the youth we lend it to, and we've even done a pretty good job of getting youth to start little businesses.

But we haven't found as many youth interested in the project as we hoped, making us think about restructuring the loan products we're offering. That feels like risky business. I haven't got the financial savvy to make three year projections of how exactly the sustainability of this project will be affected by the various loan product options we could think up. In the next two weeks we'll meet with a variety of microfinance experts from across South Africa, and hopefully gather some good advice. I suspect we'll feel way out of our league though. Giving loans as low as \$11 does seem a little piddly, doesn't it? And by working with youth we are doing what financial people call "targeting a very unstable—and thus risky—population." Sometimes I feel like our little Microfinance for Youth five-year experiment is about as odd as Jesus' notion of lending without expecting much back.

And when it comes down to how much the three-dollar-a-week profits these little businesses make matter, and more importantly how much lasting life change this all makes in the long run, well that's a whole 'nuther conundrum..

Maybe Jesus knew what he was talking about when he praised a widow's donation of a penny as worth more than a year's wages, and told stories with heroes who gave away their master's money or paid workers a full day's wage regardless of their hours worked.

Jesus was able to pop his head up above the whole economy of this world and see a bigger picture, where development, prosperity, and success all have his own definitions. Even among microfinance at its best, I see how any project aimed solely at getting the poor to earn a living wage comes up short. So what I want to know is how on earth, literally *on earth*, are we supposed to operate with Jesus' total disregard for earth's rules, and still get anything done?

I have yet to meet anyone with a clean-cut answer to that one (if you've got it, email me and tell me please.) In my daily life it comes down to a lot of admitting I don't know what I'm doing, asking God what to do, and being willing to try stuff in faith.

I met a young man who wants to buy a tent to rent out for Zulu funerals. We haven't got any loan product set-up that will get him the kind of loan he needs. So here comes Faith, saying "take this opportunity to try something new." And yet Wisdom at the same time says "think hard before you charge into this." I wish Faith and Wisdom could just agree on one easy path and show it to me all right now.

But where's the adventure in that? We came into this pilot project knowing it was going to involve a lot of trial and error, and sure enough it has. But the more we doubt ourselves, the more we're able to celebrate the successes we do see and give credit where credit is due. There are far too many obstacles in this line of work that don't get bypassed except by patience, prayer, and a thankful heart.

Take for example, the three weeks where one of our staff members was hospitalized last month, or the three weeks this month where the teachers went on strike. Both made it rather slow going for our work. At times we felt like we must be on strike, since we had absolutely nothing to do except sit at home and hope.

Another great blessing I don't take for granted, though, is having Christian friends. We've started meeting with a rag-tag group of mostly-foreign do-gooder Christians every week, and we wrestle through these and more issues. Seems like nearly every week somebody's crying over some joy or sorrow. Life sure ain't easy, but sure is worth trying to live well.