

## Where Credit Is Due

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The impetus for this book grows from the wrenching pain of poverty and suffering around the world. As I write this introductory chapter I am sitting under a huge fruit tree in a large indigenous village of West Africa. It is December 29, 1997 and the sounds of the Third World echo around me—Bambara-speaking natives of black Africa, native women cutting fresh green beans from a nearby garden and plucking the feathers off of a chicken that was clucking near my feet an hour earlier. A retarded young African fellow is bent over sweeping up the fallen Mango leaves from the hard dirt floor of the compound where I slept last night.

Over the fence there is a field, dry and dusty with several small mud huts covered by thatched roofs. A rough-hewn stable holds two braying donkeys and a couple of small goats. A scrawny-looking dog that appears to be a mix of wild hyena and short-haired terrier is barking and sniffing around the doorway of a hut.

Six lean children are playing in the courtyard, laughing and teasing. A teenaged girl is pounding millet in a huge, old wooden mortar and pestle. The labor is hard, the five foot high pestle is heavy, about eight inches around, and she lifts it with a mix of strength and grace, up and down, up and down, over and over. Timing her movements, I count the action—some thirty times a minute she smashes the millet, ultimately grinding it into fine particles. It will be the only food for the family this day—a substance with little real food value or nutrition. In America, we purchase millet to feed wild birds in the backyard. In Africa, it is the very staple of

life itself for hundreds of millions of malnourished villagers across what is called the Dark Continent.

Perhaps making things even more difficult, this is the time of Ramadan, the holy month of Islam. Most West Africans practice the teachings of the Prophet Mohammed, practicing plural marriage, living core spiritual and temporal principles, including a month long period of fasting between late December 1997 and late January 1998. So the young teenager pounding millet will not be able to eat until dark tonight even though she labors all day. The same is true, with the women I see walking down a dusty trail, skillfully balancing heavy buckets of water on their heads as they go. Or others, scrounging firewood miles from the village out in the barren bush of the Sub-Sahara. Growing desertification of northern Africa is a terrible problem, the result of an eighteen year drought and expanding Sahara that is moving south—driving away wild game, killing trees and plants.

For a Latter-day Saint, this is a curious experience, celebrating the sacred season of Christmas in an Islamic nation that does not recognize Jesus as the Savior. Yet for me, the miracle of that holy birth in a lowly Bethlehem manger two thousand years ago is perhaps more meaningful than ever before. The primary reason for this is that I am here with my son to do humanitarian work for two weeks between semesters of my teaching and his MBA studies at Brigham Young University. Although we miss our wives and children back in the United States, it is a sweet joy to be serving such poverty-stricken people—with medical relief, with excess clothing from our stuffed closets in Provo, with school supplies that caring neighbors and friends gave us to bring.

We can look at the starry vault above us during the night and remember that first

Christmas when a new star appeared in the heavens. Last night we too heard the angels sing— young black African angels as they sang, clapped in rhythm and danced for joy on the red dirt where I now sit. The mud housing structures, the lowing of cattle and bleating of goats in old, worn out mangers like the one a hundred feet from me now seem almost identical to those in Joseph and Mary's day centuries ago. As with the very first Christmas, our night air is cool, but it heats up dramatically during the day. Like then, impoverished peasants wearing long robes trek the dusty trails of rural villages.

And today, like Bethlehem of old, death often occurs at the birth of a child. In West Africa presently some 20 percent die before age five. Another forty percent die before puberty. So in a very real sense, the miracle of Christ's birth is renewed with the live birth of every child today in much of the Third World. Each infant survivor is precious and beloved. Such babies are also beloved of God above as He testifies that they too are His sons and daughters. That now little boy may also be a carpenter's son. The mother's name in this region also is often Marian, an offshoot of Mary. The parallels as well as the differences between this Christmas and the very First Christmas are stunning. They fill me with reverence and awe.

This chapter and the book that follows is not a story of Christmas, but it does contain religious implications. It focuses on the struggles of God's offspring whether they are Christian, Muslim, Hindu, Buddhist or of other faiths. Our purpose is to analyze the painful struggles of the poor and explore new strategies to combat the plight, not only of West Africa but of people around the globe. With the preceding context of my days in West Africa, the structure of Chapter One will consist of 1) analyzing the causes of economic suffering and the consequences of world poverty today; 2) assessing efforts to address these concerns through various

international development and relief efforts; 3) articulating the connection between these issues and efforts to serve the poor, especially within the framework of Latter-day Saint spiritual and temporal theology.

## **POVERTY TODAY**

In 1997, approximately over a billion people labor and live in abject poverty, about a quarter of the world's total population. Key variables or signs of being poor can be classified according to the following categories:

- Economic deprivation
- Disease and human illness
- Environmental decline
- Political conflicts and governmental ineptness
- Lack of educational skills

Additional problems such as the plight of women, racial discrimination, climate changes and others could be added to the list. But for the sake of focus, we will highlight salient features of the five key issues listed above.

### **Economic Deprivation**

The growing plague of inequality is one of the most graphic indicators of economic decline and the rise of poverty. Most Americans today bask in the plethora of mushrooming wealth—fancy products and designer clothes, increasing national productivity, the lowest level of joblessness in 25 years, and declining government deficits. There are thousands more

millionaires in 1997 than two years ago. Those who are at the top of corporate America are awash in outlandishly huge salaries, excessive bonuses such as stocks and balloon incentives that now translate to an average ratio of total compensation between CEO and worker of 250:1 (in other words the top executive receives 250 times as much as the company's lowest paid worker).

Meanwhile, in much of the Third World, contrary to popular belief, things are only getting worse. Over a billion people suffer from chronic poverty, half trying to subsist on less than \$300 per year, which works out to under \$6 a week. Glancing back at the past four decades one would see that at that time the wealthiest 20 percent of the world consumed 70 percent of all income. By the beginning of our present decade that share had mushroomed to 83 percent. Simultaneously, the poorest 20 percent of the world's population lost their meager share (2.3 percent of all wealth) as it dissipated to a mere 1.4 percent (Brown, 1995).

Unemployment is a major aspect of poverty creation, but underemployment is perhaps even more significant. It refers to the condition in which people do not hold jobs equivalent to their abilities and training. In the Philippines, for instance, it is widely known that although many people are literate and well educated, good jobs are hard to find, resulting in underemployment well above 50 percent during recent years. Projections for the future of the world's poor suggest that poverty may only worsen in the coming decades. For example, an International Labor Organization (ILO) study predicts that during the next quarter of a century, 1.5 billion new jobs will be needed to provide incomes for the growing global population. It assumes that if present rates continue, there will be some 3.6 billion working people on the face of the earth and that possibly a third will be unemployed (ILO, 1990). Is it really feasible to create 40-50 million new jobs annually in the coming decades? Not if history is an indicator.

Over the last three decades, the world's workforce increased by nearly a billion people needing work. But tens of millions did not obtain jobs. To make matters worse, only ten percent of future jobs will arise from the industrialized nations, meaning that 90 percent will be needed for the Least Developed Nations (LDCs)—in other words, for the Third World where population is growing, but poverty is booming.

### **Disease and Human Health**

In 1995, according to the World Health Organization (WHO), approximately 35,000 Third World children die each day, totaling some twelve million annually. Main causes of this tragedy are infections and parasitic diseases, diarrhea, and birth complications. Some illnesses are preventable such as measles and whooping cough, but the poor lack access to health clinics and injections. But the bulk of these deaths is caused by pneumonia, a condition which is not preventable by immunizations. A key factor that exacerbates this is the household pollution caused by wood burning or that of dried animal dung. These particulates in the air become primary causes of respiratory infection (Global, 1988). And, of course, the most recent emergence of disease is the scary, fatal phenomenon of AIDS, a scourge of epidemic proportions that is especially present in LDCs.

Beyond disease itself are the larger health issues tied to poverty—lack of access to health care, unclean water, malnutrition, and infant mortality. In much of the Third World, somewhat adequate hospital services exist for urban populations. That is, where hospitals are constructed, and where most of the national healthcare budget is allocated. Meanwhile, poor peasants in the rural areas do not require expensive, modern hospitals like those of the U.S. or Europe. Instead,

they need simple health information, and preventative care—penicillin shots, immunization of children for measles, as well as other basic services that could be rendered by village health care workers and/or rural clinics. Indigenous people need to be shown how important breast-feeding is rather than be provided with infant formula and its frequent unanticipated consequences—uncleanliness, illness, and/or dehydration and death (Feachem, 1984).

Another health difficulty is that of malnutrition. According to UNICEF's latest *Report on the State of the World's Children*, the lack of decent food, plentiful amounts, and vitamin deficiencies such as A, iron, zinc, and folate are core problems (Byram, 1997). Recent graphic portrayals of North Korean children dying are being observed on television by millions of people tugging at everyone's heartstrings. Such pictures result in millions of dollars suddenly flowing to relief organizations. But the more subtle and pernicious evil is the gnawing hunger that gradually weakens millions of children elsewhere in the world, destroying brain cells and making them vulnerable to all kinds of disease.

Blatant starvation, while a tragedy, is not as damaging to Africa and Asia as the long-term time bomb of malnutrition. Estimates are that malnutrition is a major cause or at least a key factor in over 50 percent of childhood fatalities in Latin America (Paho, 1990). And in Asia, UNICEF calculates that the figure is as high as a third. On both continents the lack of food lowers one's immune system, making the survivor less able to cope with future disease and infections.

Of course, numerous other aspects of public health are also important—breast feeding rather than use of infant formula, access to clean drinking water, sanitary handling of human waste and sewage, and so on.

## **Environmental Decline**

A now classic book, *For the Common Good* by Daly and Cobb (1989), is a pioneering attempt to add environmental issues to the problem of global poverty. Known as the Index of Sustainable Economic Welfare (ISEW), it reports on a mix of economic issues such as labor, productivity, capital increases, and income levels, along with ecological factors. According to their analysis, economic well-being globally is in decline primarily due to the abuse of natural resources, lack of environmental sustainability, and rising inequality of income.

A related problem is that of deforestation, especially in the rainforests of Asia and Latin America. Studies suggest that the rate of tropical forest destruction has exploded in the recent past, when compared to a decade ago—from approximately 12 million hectares annually in the 1980s to nearly 18 million yearly in the 1990s. The UN-sponsored Earth Summit in Rio de Janeiro in 1992 addressed number ecological issues, including that of destruction of the Amazon basin and other rainforests around the globe, the increase in greenhouse gasses that are producing a rise in global temperatures, and the mutual concerns of our global cousins (Burnett, 1997).

Another ecological dimension that exacerbates is soil degradation, such as the expanding Sahara of northern Africa, and the erosion of top soil because of human activities. The combined impact of animal over grazing, deforestation and farming each account for roughly a third of the hundreds of millions of acres that are lost each year. This problem primarily derives from the practice of gigantic multinational corporations that are moving in and taking over much of a nation's farmland. In Brazil, for example, many small farmers, peasants and indigenous

groups have been displaced by huge U.S. companies that seize millions of acres of land to produce coffee or soy beans for export to North America and/or Europe. One effect of this is displacement of the common people and further marginalization of the poor, but worse, they now are removed from the land where they could grow fresh fruit and vegetables for their families on small plots. Even more problematic, the use of heavy equipment, large doses of chemical fertilizers, dangerous insecticides by those agribusinesses also accelerates erosion and destroys organic particles in the soil. Single crop yields repeatedly going through multiple cycles also reduces the fertility and long term productivity of the land.

### **Political and Governmental Problems**

A critical aspect of society that may not clearly cause poverty, but often correlates with increasing poverty has to do with federal, state and local government actions and policies that either ignore the needs of the poor or lead to practices that contradict sound economic theory.

Examples are not only limited to stable government practices, but the political fractures that have occurred around the globe in recent decades. For instance, the colonial empires of Europe have largely pulled out or been pushed from Central America, the Caribbean islands in the Western Hemisphere, Africa and much of Asia as well. But after enslaving Third World masses for centuries while extracting their minerals and other natural resources, they left most of those countries morally and financially bankrupt.

In addition, the collapse of the Cold War and the political implosion of the former Soviet Union and its satellites has greatly worsened the economic security and well-being of many nations once behind the Iron Curtain—people who were guaranteed a job, adequate health care

and sufficient food.

So, whether one speaks of Bosnia in Europe and its fast-paced downhill race to poverty, the ethnic wars and genocide in Rwanda, the political rivalry in Haiti, or the emergence of revolutionary guerilla movements in the Philippines, Colombia, Sri Lanka and elsewhere, the worsening of poverty in such places is understandable. Tribal power struggles, religious holy wars between Christians and Muslims as well as between moderate Muslims and fundamentalists, ethnic rivalries, and the rise of nationalism all combine to facilitate fractions and dangerous tensions.

Governmental problems are often tied to interregional trafficking in weapons with which to launch civil unrest and military coups. Such conflicts culminate in the rise of poverty, as do widespread violations of human rights and imprisonment. For instance, the arrest of the family breadwinner, usually means that the family is left to fend for itself economically. A final problem with governments is the issue of corruption among elites who raid national coffers for their personal aggrandizement, thereby reducing available public monies, making countries poorer. The most widely known illustration of this is the case of Philippine dictator, Ferdinand Marcos who plundered his country of \$5-7 billion to stash in Swiss bank accounts while the nation dropped from being the number two economy of Asia in the 1960s to second from the bottom by the 1980s.

### **Lack of Educational Skills**

The final development factor associated with global poverty is the problem of ignorance. The big picture suggests that roughly a billion adults in the Third World are illiterate. To make

matters worse, hundreds of millions of LDC children are not allowed or do not have access to daily school. For both children and adults, females have considerably less access to schooling than males.

How can one hold a decent job without being able to read, write, or perform basic mathematical skills? The problem is more complicated by the fact that in much of the Third World, even those who attend school drop out by the equivalent period of U.S. high or junior high school age. They may think they can read and write, but numerous research studies suggest they are functionally illiterate, unable to effectively perform the basic abilities of an educated person (UNDP, 1994, pp. 156-157). And for the minority of Third World youth who do remain in school, the quality of their academic training is woefully inadequate. Their teachers are poorly prepared themselves so they cannot impart great knowledge to their pupils. Furthermore, the educational institutions through which LDC children are processed do not typically enjoy superb quality. Nor do they have the financial resources to create a high achievement education. It is estimated that Third World schools have about 25 times less money than schools in the U.S. and Western Europe.

For children who learn in underfunded schools, who are taught by poorly trained teachers, and who cannot attend much more than age 12-13, the combined effect of all such deficiencies dooms them to a life of poverty and deprivation.

No wonder that the combination of the preceding five factors—economic deprivation, human illness, ecological destruction, political and government ineptness, and an inadequate education—together explain many of the dimensions of world poverty as we approach the year 2,000. And the debilitating plague of poverty among those who are extremely poor has given

primary impetus to the rise of viable solutions to the anguished cries of the poor in micro enterprise and micro credit.

### **STRATEGIES TO COMBAT POVERTY**

Much conventional public opinion assumes that the improving economies of the industrialized nations is matched by similar success in LDCs, but such assertions are erroneous (Broad and Landi, 1996); *Economist*, 1996; Herman, 1995; Kristof, 1997). Basically, over the past forty years large scale strategies of traditional development programs have each been attempted, and generally led to questionable results, if not outright failure. They include the following:

- 1960s—Modernization strategies that often produced, unintended, negative outcomes that contradicted indigenous cultures and values.
- 1970s—The Green Revolution that attempted to superimpose Western agricultural methods (big tractors, chemical fertilizers and toxic pesticides) on LDCs. The outcomes included short-term yields, rising cancer rates, and depleted soil.
- 1980s—Basic needs were the next focus such as health care, access to clean water, education/literacy, and so on, but such programs were enormously expensive and hard to sustain.

Now in the 1990s there has been a dramatic shift away from huge, macro solutions that are inefficient, costly, and often wasteful, funded by major donors such as the World Bank or the United Nations. Experts from such institutions too often described their projects in high level

abstractions which seem ethereal to indigenous groups in the Third World. The new strategy of the 1990s is on small, concrete projects which the community can manage, grow, and improve, thereby impacting the members.

Over time, traditional developmental models have tended to be administered in top-down, extremely paternalistic fashion in which experts act as custodians of the project, treating participants as second class citizens, or mere charity cases. The result tended to be dependence, whether economic, industrial or technical. Elites and their relatives have obtained most key management positions, and money flowed to those individuals as direct beneficiaries of the project, whether or not the community as a whole enjoyed any improvements in quality of life. In contrast, the new approach is bottom-up. Needs and problems are identified at the grassroots level and participants may later engage consultants to assist. In the emerging development paradigm, Third World citizens would operate in a partnership with outside experts—each having a voice, each involved in the process of defining problems and generating solutions.

### **Temporal Teachings of Mormonism**

This book proposes to examine the economic struggles of poor Latter-day Saints and their larger communities, whether they be Christian, Hindu or Muslim. Since the first LDS missionaries began to preach Mormonism over a century ago, much of the Church's focus has been on things of the spirit—faith and repentance, conversion and priesthood, temple worship and covenants. Yet there is an equally important dimension of the religious life that is more temporal—the work ethic, employment, household income, health and physical well-being, all facets of self-reliance.

One starting premise builds on the powerful declarations of modern prophets such as

David O. McKay (1953) spoke of the ultimate objective of many people: “We are seeking the light of the ages . . . a social Utopia. We want a society in which we may be relieved of some of the ills of mankind, free from the troubles and toils of life. The Church . . . offers to the world the solution of all its social problems” (pp. 91-92, 96). Likewise, President Ezra Taft Benson (1988) emphasized that “Christ's gospel is the perfect prescription for all human problems and social ills” (p. 66).

And more recently, President Howard W. Hunter (1991) offered a macro perspective by affirming that “The gospel of Jesus Christ is a global faith with an all-embracing message . . . Mormonism, so-called, is a world religion . . . because it has a comprehensive and inclusive message based upon the acceptance of all truth, restored to meet the needs of all mankind” (p. 18-19).

Historically, the global path to improving temporal well-being has been to reduce poverty. Being poor is perhaps the largest threat to the earth's environmental health, as well as to societal and political stability. If our purpose is to relieve “some of the ills of mankind” and “meet the needs of all,” as modern prophets have proclaimed, then coherent strategies need to be devised for LDS members and the world at large.

Indeed, Mormonism rejects the sectarian view that differentiates between the temporal and the spiritual, suggesting instead that both are essential aspects of the good life (D&C 29:34, 77:2, and 14:11). As President Joseph F. Smith (1905) declares:

It has always been a cardinal teaching with the Latter-day Saints, that a religion which has not the power to save people temporally and make them prosperous and happy here, cannot be depended upon to save them spiritually, to exalt them

in the life to come (p. 242).

The task of countering poverty must be multifaceted. The institutional Church can help, as well as governments and other organizations. But alleviating poverty is a complex process.

Criteria for becoming effective requires, in my view at least, the following elements:

1. Motivation: people must possess a strong work ethic combined with the desire to achieve, to improve the world, and to act morally.
2. Empowerment: efforts to reduce poverty need to be decentralized and participatory so that the Have-nots enjoy a voice in the design and implementation of new programs.
3. Job Creation: economic growth ought to generate employment opportunities so that livelihood is assured for all. Jobs provide those in poverty with the chance for a better life, a sense of dignity, and the ability to contribute to the economic growth and productivity of their nation.
4. Access to Credit: many of the poor already labor long, hard hours in self-employment activities. But their success is severely constrained by a lack of working capital with which to grow their businesses. They have no credit history or collateral. What is needed is for the poor to enjoy a basic human right—access to small amounts of capital.

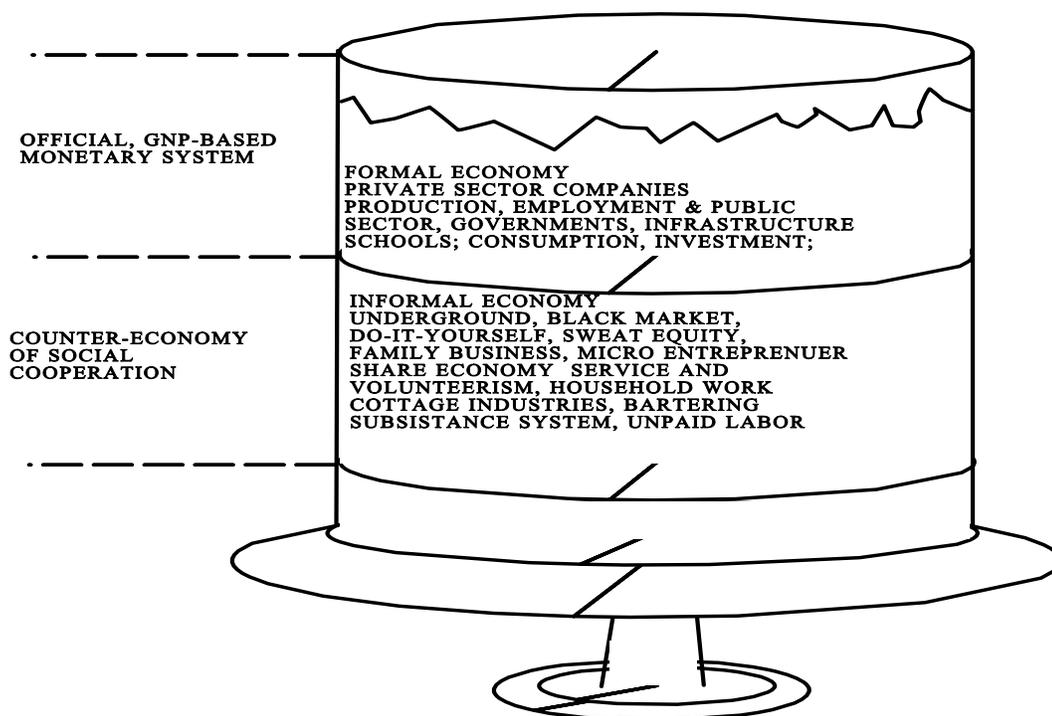
If the above factors can be strengthened in the Third World, the temporal situation will likely improve for those that are destitute as well as those that are living adequately.

### **Formal vs. Informal Economies**

Traditionally, social scientists have conceptually divided a society's economic activities into the formal sector, such as labor at a factory or work as a government employee in an office, or informal—survival on the street as a vendor or provider of services.

The informal or underground economy is essentially considered to be a problem itself by some experts—small, clandestine, unregistered individuals or family-based economic activity that does not produce taxes to the state. Typically, such people can be observed in Third World cities living in shanty towns or functioning as street vendors. Often marginalized, they subsist by “hustling” or sweat equity, making up for the shortcomings of formal jobs such as factory work or government positions. While the informal economy has often been viewed by traditional economists as a minor phenomenon or a temporary reaction to natural or financial disasters, reality suggests the opposite. The Third World informal economy is growing. It is here to stay and makes up a significant percent of many native societies (Sanyal, 1991; de Soto, 1989). A common way to visually portray these two economic sectors and what they consist of is as follows:

## THIRD WORLD PRODUCTIVE SYSTEM --TWO LAYER CAKE--



Much research over the past decade points to the increasing significance of the informal economy as the vital means through which masses of the poor attempt to cope with life's vicissitudes, feed their hungry children and survive, one day at a time. The primary tool for lifting people in the informal economy is that of providing small amounts of credit so they can, in fact, lift themselves. Even a very small loan can make a significant difference.

If Zion is defined as having “no poor” among God's children, then further work needs to occur in truly transforming the world. Fortunately, new steps are being taken by the Church's Humanitarian Services, now incorporated as Latter-day Saint Charities (LDSC). Together with other nonprofit groups, often referred to as nongovernmental organizations (NGOs), a

partnership for creating self-reliance is being experimented with that offers great promise in lifting the poor, creating more employment and a better temporal life for God's children.

This strategy consists of developing technical assistance centers that provide training and consulting for micro entrepreneurs—people in the informal economy who cannot obtain regular employment in large companies. Instead, they bootstrap themselves, essentially creating their own jobs. Most of this type of work requires one's own sweat and equity, perhaps including that of one's family. It is a bottom up method for generating an income and becoming self-reliant, enjoying considerable success in certain countries as a new, innovative path to earning a living and caring for one's own.

Tied to micro enterprise training is the issue of access to capital so that the small entrepreneur is able to acquire raw materials, equipment, or whatever else is needed in order to grow the business.

Within the sample group studied 48 percent had been established in the 1980s and 21 percent since. Sixty organizations offered only individual loans, 42 offered only to solidarity groups of two to ten people, and 59 provided loans to village lending groups (10 - 50 people). The remaining institutions used a mixed of target groups. On average 65 percent of borrowers were females and 35 percent males. With respect to loan size the average microloan in Asia is \$94, while those of Africa are just below \$200, and just under \$900 in Latin America. These findings reflect the GNP levels of their regions.

Micro credit may be classified as small scale loans of \$30 to \$100 that are accessible to the very poor, primarily in the Third World. With even a small amount of such capital micro enterprises may be started, or perhaps expanded. According to global microfinance schemes

there are in excess of nine hundred institutions in 101 nations that offer microcredit to the poor (Paxton, 1995). The organizations studied had been in existence at least three years and each had over a thousand clients. They include banks, credit unions and numerous NGOs. Clearly there are thousands more of newer, smaller such programs not included in the bank's analysis. But a sample of 206 of the 900 institutions enjoyed an aggregate loan portfolio of almost \$7 billion, totaling over 14 million small loans to people and their organizations, 53 percent of whom reside in rural regions around the globe. By extending microfinance capital to the poorest of the poor, millions of new jobs have recently been created among those languishing in extreme circumstances, thereby empowering individuals and families to gain a greater degree of control over their destinies.

Early in 1997 a World Micro Credit Summit was held in Washington, D.C. to launch a five year plan for empowering a hundred million of the world's poorest families so that they may obtain capital. Twenty-seven heads of state and thousands of NGO representatives participated in this global organizing effort. The method for obtaining credit is often referred to as Grameen or "village banking," as pioneered by a creative economist, Muhammad Yunus in Bangladesh. The NGO essentially offers small or "micro" loans for \$25 to \$50 to each of five to ten villagers at market interest rates. They need no collateral, nor are they required to have a strong credit history. Instead, the borrowers as a group are jointly liable for paying off the interest and principal. Social pressure and trust thus become powerful incentives for assuming one's own financial responsibility and personal accountability.

During the past several years, the Church has been collaborating with several NGOs like FINCA and Katalysis to fund village banking projects in Asia, Africa, and Latin America. Amazingly, the loans are paid back at a rate of 97-98 percent, higher than repayment rates at the Bank of America or the World Bank. Latter-day Saint church groups have been recipients of some of these monies, especially in Central America.

### **By the Bootstraps**

But can the poor obtain loans? Is sufficient capital available? Such an effort may seem rather improbable for humble people, including Latter-day Saints, but the words of the Prophet Joseph Smith in 1844 are a powerful motivation: “I calculate to be one of the instruments of setting up the kingdom of Daniel by the word of the Lord, and I intend to lay a foundation that will revolutionize the whole world” (1977, p. 366). His objective, it seems, is to transform the world.

While Joseph Smith's vision seemed radical in 1844, today it is moving toward global fulfillment. But to fully change the world, temporal as well as ecclesiastical systems must be established and that is the task that we as Latter-day Saints face today. We must labor together, those who are better off economically as well as those who are not.

Perhaps one of the best and most viable strategies for lifting the poor currently might be classified as a “by the bootstraps” approach. The best illustration of this idea is a new capacity-building mechanism known as the Grameen Bank of Bangladesh (Wahid, 1993; Yunus, 1997). Consider the numbers since Muhammad Yunus was inspired to create the first village bank in the mid 1970s among landless peasants in Bangladesh, a place that U.S. Secretary of State, Henry Kissinger, once called “the basket case of the world.”

Arguing that credit is a basic human right, Yunus launched the movement that in just two decades has produced impressive outcomes for the poor:

- 1,915,000 people are village bank clients
- 5 million family members benefit from credit and savings programs
- 34,234 village economies have benefitted from the flow of capital
- Cumulative loan disbursements are over a billion U.S. dollars
- Total savings, including individual and group funds, exceeds US\$ 80 million
- The percent of overdue loans not repaid after two years is a paltry 1.32 percent
- 1,212 village bank branches exist throughout Bangladesh
- 13,626 bank staff are personnel of the bank. Only 583 work at bank headquarters while 7,133 do direct banking out in villages. The remaining six thousand staff are engaged in technical projects such as wells, shrimp farms and so on.

The numbers above are a dramatic change from the paltry \$27 in capital Yunus first loaned to 42 poor women over two decades ago (Yunus, 1990).

Incredible as it may seem, Grameen's small scale credit effort entails thousands of rural people engaged in daily financial transactions of over two million dollars in currency traded between peasants and poverty lenders with virtually no losses. Its poor members are now owners of the very bank they originally sought to borrow from. And Grameen's astounding success is currently being replicated by hundreds of other NGOs around the globe, defying the logic of worldly economics that claims the poor are not bankable (Schuman, 1993).

Such practices seem fully consistent with the words of President John Taylor over a century ago when he counseled the Latter-day Saints to become “engaged in a work that God has

set his hand to accomplish . . . to introduce correct principles of every kind—principles of morality, social principles, good political principles . . .” (Taylor, 1964, p. 169).

Elder John A. Widtsoe (1940), an Apostle for over a quarter of a century, emphasized the true principles of God's economic system, the united order, counseling that it has a practical value as an ideal by which any proposed economic system may be tested for the degree of its worthiness. The nearer any scheme for economic betterment conforms to the principles of the united order, the more likely it will be to assist mankind in their efforts to attain material happiness . . . for human welfare, for developing human lives, and for providing the prosperity needed on the path of human progress (pp. 633-634).

Parallels between the Grameen Bank structure and united order economics are considerable:

- Both emphasize the importance of labor and the dignity of work
- Both are geared toward equality in that the poor are to be raised to a higher level of income and well-being.
- Both possess an element of stewardship such that the individual and one's family are accountable to use their resources wisely, becoming accountable in the process so people may learn to govern themselves.
- Moral motivation is the foundation of both programs. Attributes of cooperation rather than self-aggrandizement are basic; individual profit maximization is overruled by the importance of bettering the group or larger community.
- Each is a storehouse of resources, whether that of in-kind goods in pioneer Utah

or financial capital in a modern village bank. These become tangible elements for success and growth. Capital or surplus is the means to economic development, job creation and poverty alleviation.

- Self-reliance or capacity-building moves from simply being a distant objective or dream to a solid reality as the poor move toward real sustainability (Lucas and Woodworth, 1996).

The remarkable effectiveness of village banking strategies seem congruous with the teachings of Joseph Smith (1854) as he surveyed righteous endeavors of others in his day. “In reality and essence, we do not differ so far in our religious views, but that we could all drink into one principle of love. One of the grand fundamental principles of ‘Mormonism’ is to receive truth, let it come from whence it may” (p. 153).

Utilizing the tools and principles of micro enterprise and credit to lift those who are materially poor is also consistent with the values of Brigham Young back in the poverty-stricken days of early Utah. He declared in 1868 that as Latter-day Saints, “We want to associate with men who aspire after pure knowledge, wisdom and advancement, and who are for introducing every improvement in the midst of the people . . .” (1854, p. 288-89). I think he would have embraced the strategies of Muhammad Yunus.

Today's huge gap between Haves and Have-nots has been condemned by the Lord down through ancient history, and in the scriptures of the restoration. The increasing chasm between Latter-day Saints in industrialized nations and those of the Third World today is clearly offensive to righteousness: “It is not given that one man should possess that which is above another, wherefore the world lieth in sin” (D&C 49:20).

Prophets of this dispensation concur on this critical point. The following quote by a pioneer LDS President might well describe the Third World situation today.

The earth . . . was made for man; and one man was not made to trample his fellow man under his feet, and enjoy all his heart desires, while thousands suffer. We will take a moral view, a political view, and see the inequality that exists in the human family . . . It is an unequal condition of mankind. We see servants that labor early and late . . . They cannot go to school, nor hardly get clothing to go to meeting on the Sabbath . . . (Of the young woman) . . . What is she laboring for? For those who, many of them, are living in luxury. And to serve classes that are living on them, the poor, laboring men and women are toiling, working their lives and to earn that which will keep a little life within them. Is this equality? No! What is to be done? The Latter-day Saints will never accomplish their mission until this inequality shall cease on the earth (Young, 1854, Vol. 19, p. 46-47).

God's purpose is clear: "To provide for my saints, that the poor shall be exalted and that the rich be made low. For the earth is full, and there is enough and to spare; yea, I prepared all things, and have given unto the children of men to be agents unto themselves" (D&C 104:15, 17). Apparently, the problem is one of distribution of distribution of economic resources, not simply production or the amount of capital. The methods advocated in this volume suggest new mechanisms for reallocating financial power so that all, even the poorest of the poor, may access economic power and thereby lift themselves. Such a philosophy is based not on a hand-out, but a hand-up. Instead of giving one a fish, or even teaching a person how to fish, the underlying premise of village banking is: Give a person a loan! To do so might well fulfill the objective of

President John Taylor (1854) to pioneers of his day, to “unite with (the poor and jobless) . . . in finding employment for every man and woman and child . . . that wants to labor” (p. 165).

A coherent micro entrepreneurial effort to empower poor elsewhere is not simply to be “nice” or a matter of love. Rather, it is a practical self-help tool by which those in poverty may lift each other. Mormonism, according to President Joseph F. Smith (1907), “Has always sought to place its members in a way to help themselves, rather than adopting the method of so many charitable institutions of providing only for present needs. . . . Our idea of charity, therefore, is to relieve present wants and then to put the poor in a way to help themselves so that in turn they may help others” (p. 832). The basic purpose is that “we depend on mutual helpfulness” (ibid).

The impact of poverty-lending when it is effectively structured can indeed be phenomenally successful. The Grameen experience is a viable instrument for lifting the uneducated and downtrodden. An uplifting vision can be fused with righteous purposes and financially empowered indigenous poor villagers. Buttressed by core ethical values, credit and hard work, poverty may be alleviated and human dignity increased.

God's poorest of the poor do not need condescending sympathy, but a chance, an opportunity to grow. Instead of the exploitation of money lenders who devour the poor by charging 20 percent interest per day, group credit programs create a sustainable future. Micro enterprise and micro credit not only generate jobs, but they counter malnutrition, illiteracy, poor health care, inadequate rural village huts or urban shanties, the lack of running water and electricity. Such efforts offer the promise of more than sheer survival, but self-actualization instead.

Finally, the creation of income-generating instruments among people around the globe

necessitates the involvement of their LDS brothers and sisters who now live comfortably, enjoying much more than the basic necessities of survival. The admonition of Book of Mormon prophets is unmistakable: “Think of your brethren like unto yourselves, and be familiar with all and free with your substance, that they may be rich like unto you” (Jacob 2:17). Those who have cannot be truly sanctified without giving of their means to those in need. In fact, according to the law of consecration and stewardship, this is the very essence of the gospel of Christ. The relationship between Haves and Have-nots is symbiotic, a balance between mutual needs. The poor need sustenance from those who have, and the latter, in turn, need the opportunity to offer assistance to lift and empower the poor.

As Lorenzo Snow (1854) put it:

This is the spirit and aim of the United Order, and that we should endeavor to establish. We should employ our surplus means in a manner that the poor can have employment and see before them a competence and the conveniences of life, so that they may not be dependent on their neighbors. Where is the man who wants to be dependent on his neighbors . . .? No! He is a man, and is in the image of God, and wants to gather the means around him, by his own individual exertions (p. 349).

In some ways, the contemporary Third World poor suffer from a lack of entrepreneurial acumen and financial capital quite like the pioneers of Salt Lake Valley a hundred and fifty years ago. Would it not be fitting that as part of the LDS Sesquicentennial celebration in 1997, we act on the concern of George Q. Cannon (1854) of the First Presidency nearly a century and a half ago? Said he:

We have not capital; yet by combining our means we can obtain all the capital that is necessary, . . . and instead of seeing men walking around with their hands in their pockets, because of not having work, there would not be an idle man in the Territory. For any portion of our people to be idle is wrong, and there is something radically wrong about a system that admits of or has a tendency to keep a portion of the community in idleness (pp. 105, 107).

This was true of the Utah Territory, a virtual economic island outside the United States back then, and it is still true among the Third World poor, including Latter-day Saints, across the earth in our time. Today's economic innovations such as micro entrepreneurship, credit for the poorest of the poor, and Latter-day prophetic declarations regarding righteous socio-economic principles may be provocative, but I personally know that they are sound and true.

Both Latter-day Saints and the larger masses of oppressed people need and deserve economic justice. John Taylor (1854) declared in General Conference:

Talk about financiering! Financier for the poor, for the working man, who requires labor and is willing to do it, and act in the interest of the community for the welfare of Zion, and the building up of the kingdom of God upon the earth. This is your calling; it is not to build up yourselves, but to build up the Church and kingdom of God . . . Do not let us have anybody crying for bread, or suffering, for want of employment. Let us furnish employment for all (p. 308).

When one looks at the twisted, materialistic and economic transactions occurring in contemporary Utah, the words of President Cannon (1854) come to mind as to the righteous purpose of business:

The time must come when the talent of men of business shall be used for the benefit of the whole people . . . not for individual benefit alone, not for individual aggrandizement alone, but for the benefit of the whole people, to uplift the

masses, to rescue them from their poverty. That is one of the objects in establishing Zion, and anything short of that . . . is not Zion (pp. 281-82).

And over a century later, the powerful witness and testimony of President Ezra Taft Benson (1988), is equally forceful and clear:

We must not lose sight of the fact that all we are doing now is but a prelude to the establishment of the united order, and living the law of consecration. The individual saints must understand this (p. 123).

May we individually and collectively become equal to this formidable but glorious challenge among the poor locally and throughout the whole earth.

Long live Zion!

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