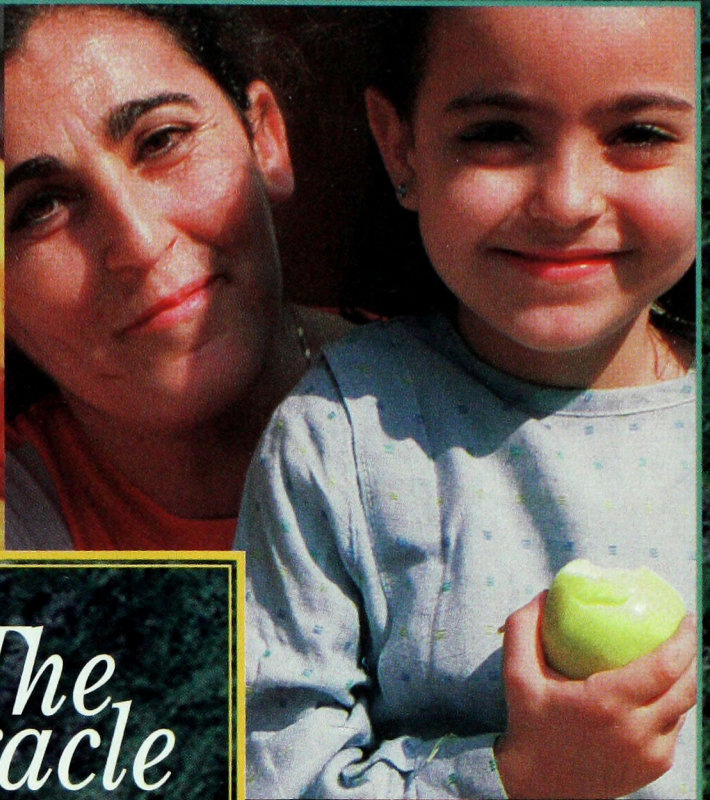
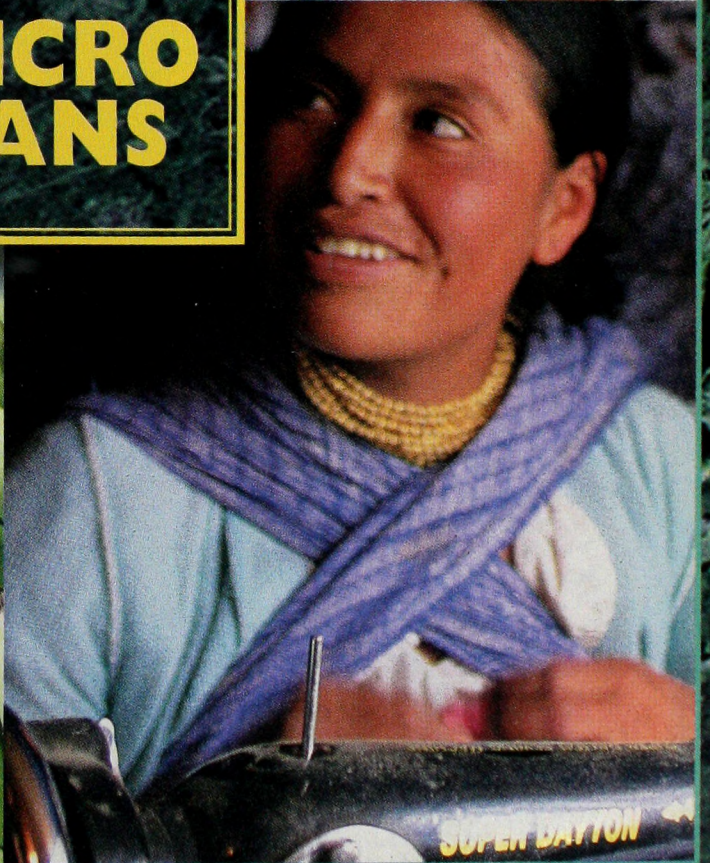
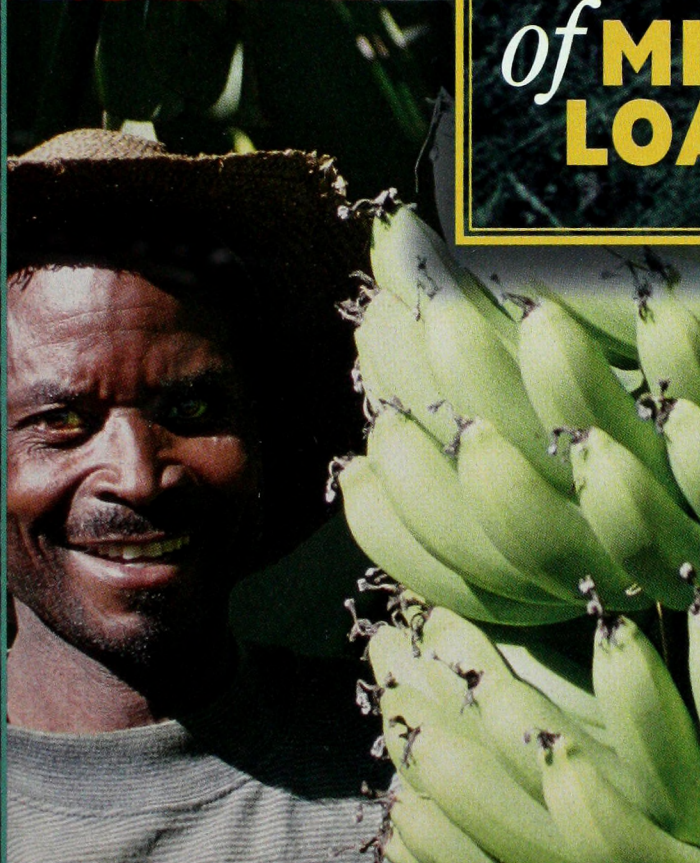


WORLD VISION®

December 1997/January 1998



The Miracle of **MICRO LOANS**



The
Miracle
of **MICRO**
LOANS

Giving **CREDIT** *Where Credit* *Is Due*

BY LARRY WILSON

ONE OF THE MOST EFFECTIVE STRATEGIES IN THE
GLOBAL FIGHT AGAINST POVERTY IS LOANING PEOPLE
MONEY TO START SMALL BUSINESSES.

World Vision
loaned Reyna
Eugenia
Gualsaqi and
five other
women in an
Andean village
in Ecuador
\$1,500 to start
a sewing
workshop, and
taught them
how to buy,
invest, and
make a profit.



TODD BARTEL / WORLD VISION

For most of 24-year-old Nuuru Miuro's adult life, she waged a daily battle against hunger. The Ugandan woman's hard-earned meager income barely enabled her to feed her children each day. Selling chapati bread, she earned \$1.50 a day—just enough to pay for food for her family and for the ingredients she needed to bake more bread the next day. It wasn't nearly enough to expand her business or income.

When World Vision started a revolving loan fund for small businesses in Nuuru's community, she applied for a \$60 loan. She immediately bought a jerry can of cooking oil, two cartons of wheat flour, a bag of charcoal, some baking powder, and started attending classes on simplified bookkeeping, marketing and personnel and money management.

Nuuru's production soared, as did her profits, and she paid back the full amount of her loan, with interest, one month later. With her earnings she began saving money for the first time in her life, and she could afford to send her oldest daughter to school—an opportunity Nuuru never had.

As Nuuru and the other 112 loan recipients in her community repaid their loans, World Vision's revolving loan fund has grown, enabling more families to acquire loans, start new businesses, and hire more employees, benefitting the whole community.

Over the past 25 years, as extreme poverty has threatened the lives of millions of people like Nuuru, organizations like World Vision have begun developing innovative ways to help people and their communities live productive and sustainable lives. One of the most successful solutions is the simple process of providing business loans to screened applicants who repay their loan plus interest to a "revolving loan fund" pool that grows over time.

TRAPPED IN POVERTY

According to the World Health Organization, 1 billion people—one-fifth of the world's population—live in extreme poverty. Like Nuuru, these families cannot adequately feed themselves or plan for the future, working menial jobs or selling whatever they can to survive one more day.

In most Third World countries more than half the people survive by working in small-scale businesses or "microenterprises" outside the traditional economic structures. They are fruit vendors in Haiti; ragpickers in India; basketmakers in Ghana.

To climb out of poverty toward self-reliance, access to credit for these people is critical, but hard to come by. "It is lack of capital ... and lack of access to traditional channels of credit that hamper the business activities of most of this informal sector," says Kristin Helmore, who has written about microenterprise development for *The Christian Science Monitor*.

Government credit programs and traditional lending institutions do not offer affordable loans to the poor because they cannot afford loan fees, offer collateral, or show a credit history. They're viewed as high risks who yield a low return.

Though many poor people possess relevant skills and often own necessary tools, without access to credit they cannot establish or expand their business to sustainably support their family. Generation after generation is trapped in poverty.

WHAT IS MICROCREDIT?

"Most of the poor want to earn their own way," says Ron Sider, author of *Rich Christians in an Age of Hunger* and one of the world's leading advocates for the poor. "They have enormous social capital: intact families, a desire to work, pride, and integrity. But they need some help. One of the greatest success stories of the last 20 years is the explosion of micro-loans. Scores of Christian and other organizations are now empowering millions of desperately poor people with tiny loans of \$75, \$200, or \$500 so they can start tiny businesses and thus provide a better living for their families."

From Bangladesh's now-famous Grameen Bank to projects in America's inner cities, more than 200 agencies are using various microcredit schemes to reach 8 million people in 43 countries.

Simply put, microcredit is a way of granting small loans to the world's poorest people, who don't qualify for loans from typical lending institutions, to

When you give somebody something as charity, you lower their self-esteem, but when they feel that what they have done has been through their own efforts, it changes their lives.

help them start small businesses. Revolving loan-fund programs are most common. With an average repayment rate of more than 90 percent, loan funds are used over and over again without requiring additional money for overhead. As the capital revolves, or "recycles," the original investment multiplies over time, creating an excellent return and enabling more entrepreneurs to receive business loans.

To maximize the effectiveness of its loan programs, World Vision looks for individuals with a good business idea. "Sustainability begins with the idea that the underlying business must be viable in the real-world marketplace," says David Befus, an enterprise development coordinator for World Vision. "Finding businesses that are viable is not an easy task. It requires technical assistance, innovation, attention to quality control, and a sense of entrepreneurship."

CHARGING INTEREST

World Vision's program provides capital at reasonable rates of interest to trustworthy entrepreneurs, and also gives them the technical training and consultative advice that will enable them to succeed.

To ensure the success and self-sustainability of its revolving loan funds, World Vision sets appropriate interest rates to cover the costs of managing loans, bad loans, and inflation rates. In addition, applicants are carefully screened, choosing people who not only have a good business idea but who show personal initiative. Loan recipients also receive business training to maximize the potential for success.

The interest charged on the loans varies from country to country, but they are generally much higher than U.S. rates (though much lower than the local financial institutions offer) due to inflation rates and other economic realities.

Many funds charge interest rates between 1.5 percent and 2 percent per month (18 to 24 percent annually). In most cases, payments on the loan begin within a month. More than 96 percent of World Vision's loans have been paid back in full.

But most loan recipients need more than capital to succeed. They need training. A requirement for World Vision loan recipients is participation in business training, including bookkeeping, marketing, and managing of resources. In addition, World Vision staff emphasize Christian management principles—treating employees fairly and producing high-quality products in an ethical manner. And in many programs, the entrepreneurs also hear the

message of Christ's love at the training classes.

More than one-third of the money used to start the loan programs comes from individuals, foundations, and U.S. churches. The rest comes from U.S. government programs and from abroad.

BENEFITS OF MICROCREDIT

The benefits of microcredit programs like World Vision's are legion. "Many development professionals see the strategy of providing credit to poor entrepreneurs as the most direct means of combating hunger," Helmore says. Among the first benefits of loans is that they enable people to obtain or grow more food. Families who ate only once a day sit down for three meals.

Thousands of families have become self-sufficient through World Vision business loans. In addition to obtaining more food, they're able to pay for social services such as health care and schooling for their children. Then, as their businesses take off, their dignity and self-worth are strengthened. The extreme poor tend to see themselves as outcasts, experts say, and as being incapable of making positive changes in their own lives.

"We believe that when you give somebody something as charity, you lower their self-esteem," says Barbara Rodey, executive director of the Foundation for International Community Assistance, a private, U.S.-based agency that provides small loans to the working poor in Peru, El Salvador, and Costa Rica. "But when they feel that what they have done has been through their own efforts, it changes their lives."

Then, as the funds recirculate in the borrowers's community, more people in that community benefit. Loans disbursed through World Vision's revolving loan fund in Bogota, Colombia, for example, have been repaid at a rate of 97 percent. With this repayment rate, the loan fund quickly became self-sustaining and grew to provide three times as many loans to needy families within three years.

Loan funds in 14 Latin American countries created nearly 5,000 jobs for the poor in 1996. More than \$4.5 million has been loaned to 7,881 clients. The interest on these loans has paid for the entire cost of operations in all but four of the programs, and the capital investment continues to be recycled to new applicants as the funds are paid back.

Such small businesses grow fast and people quickly learn how to take initiative. Since industries need suppliers of raw materials, transporters for

The Miracle of MICRO LOANS



BRUCE STRONG / WORLD VISION

Microcredit programs loan the world's poorest people—who do not qualify for traditional bank loans—money to start small businesses. World Vision-loan funds in 14 Latin American countries created almost 5,000 jobs for the poor in 1996. By 2005, World Vision hopes to manage \$100 million in its loan portfolio, benefiting 400,000 families worldwide.

goods, advertisers, and items such as order forms and record-keeping books, there are often spin-off effects, which can begin to reverse the decline of state-run towns. People gain confidence. In Kenya a group of grateful business leaders used a portion of their profits to take charge of an orphanage that was falling apart under state management. People have refurbished the local church and attendance has trebled. Alcoholism and family abuse are declining.

THE FUTURE OF MICROCREDIT

Aid organizations like World Vision are increasingly adopting credit schemes to lift the world's poor. At a Microcredit Summit meeting held in Washington, D.C., last February, a gathering of representatives from helping agencies in 110 countries pledged to raise \$21.6 billion to reach 100

million of the world's poorest families, especially the women of those families, with cash or in-kind credit for self employment by 2005.

Currently, World Vision manages about \$8 million worldwide in the loan portfolio of its credit programs. In addition, World Vision spends about \$30 million in 47 other countries, operating income-generation programs that will soon develop into full-scale loan operations. And by 2005, World Vision hopes to increase this loan portfolio to \$100 million, benefiting 400,000 families.

"By raising people up both economically and spiritually," wrote correspondent Daryn Kobata in a recent edition of *Pulse* newsletter, "Christian micro-enterprise programs are moving people toward what aid agencies and donors have long sought—complete and sustainable development." 🌐

INTERVIEW WITH **DAVID BEFUS** BY LARRY WILSON

HELP *on a Small Scale*

David Befus has been helping World Vision start microcredit programs for the poor worldwide since 1992. For 18 years, David has been a pioneer, instructor, and leading practitioner in the field of microenterprise development for organizations including World Relief and Opportunity International. He lives with his wife and two children in Miami, Fla.

JACK KENYON / WORLD VISION



David Befus

Many organizations like World Vision are starting loan programs for the poor. Why?

When poor communities obtain certain basic services—potable water, education, and so on—the next thing they want is jobs. Microenterprise provides people with jobs and incomes to take care of themselves.

When we first proposed starting loan programs in Latin America in 1993 only four countries were interested. Now all the countries have one. Communities want job opportunities and ways to increase their income. That's the specific issue these programs address.

Why have World Vision's loan programs been so successful?

The basic ingredient is loaning to people who have a business concept

that is viable in the real world marketplace but just lacks capital.

Another reason is a practice we've adapted from the Grameen Bank in Bangladesh: solidarity loan collateral—the idea that people who have no real collateral come together in a group to obtain a loan. If one group member doesn't pay, the others in the group are responsible.

Banks look at what people have and what the banks can take away from people as the basis for giving a loan. Poor people, however, don't have anything. This idea of a solidarity guarantee—one for all, all for one—works as a collateralization foundation.

Really, it assures you that your prospective clients are good. People don't want to be in a group where they know someone else in the group is irre-

sponsible. It creates a self-selection process, so that when a group comes for a loan, you already know they're responsible.

Another reason these programs are successful is related to the cost of the service/delivery system. Banks have a problem with the cost effectiveness of keeping track of so many very small loans. If one loan officer has to go out and visit 700 or 800 people every month, it's impossible. But we organize these 700 or 800 people into community banks. All the loan officer has to do is run the community bank meeting, while the community bank structure supervises the specific businesses.

It's a decentralized lending process that allows us to provide capital at a reasonable cost.

The Grameen Bank pioneered the practice of offering loans to poor people with no other access to formal credit. How are World Vision's programs different from the Grameen Bank?

Many of the Grameen Bank's practices are tailored specifically to Bangladesh. To qualify for a loan, you have to agree to 15 precepts, including rules about cleanliness and dowries. We don't impose those 15 points.

Second, we require that people use their loans for productive investment. The Grameen Bank allows people to use their loans for more or less anything they want as long as they pay the loan

back. The problem with that is sometimes people have to pay a loan back by liquidating something else or getting a loan from someone else.

We design our programs based on the context of the countries they're in. In Brazil and Costa Rica, where income levels are much higher, we have different policies than those in Honduras and Haiti, where income levels are much lower. Our programs in Haiti and Honduras look more like the Grameen Bank.

The Grameen Bank preaches that all the poor need is capital and they'll take off. You say that's not enough.

No, I don't believe that capital is all the poor need. Eliminating poverty is much more complicated and long-term than just putting zillions of dollars into microcredit programs. There are two reasons. First, microenterprise doesn't meet a lot of people's needs. When World Vision starts working in a community, many times the people need potable water, an educational system, basic health training to cut down on diarrhea, and so on. Microenterprise doesn't address those things at all.

I see microenterprise as part of a coordinated program to meet needs. Once a community has potable water and education, when you go to community meetings and ask people what they want, they say, "We want a job."

So microenterprise meets part of a need. And when it's integrated into a community project, that's when you see transformation take place.

This is why I like working with World Vision. Loan programs are based in World Vision projects, where the programs are coordinated with other development activities.

Some people claim that microcredit programs will effectively eliminate worldwide poverty. Do you?

I think you help people one person at a time. I get confused when I hear all these grandiose schemes.

Many people in our programs overseas can make things, from organic coffee and carpets to handicrafts, boots, and coats, but they can't sell them. There's a barrier for the small producer. It's a quality barrier, it's a quantity barrier. In the informal sector, people often make products that are low-quality and low-margin. So helping people improve quality and have an export outlet is also part of addressing the needs of small producers overseas.



TODD BARTEL / WORLD VISION

The foundation of a successful microcredit program in the Third World is loaning to people who have a solid business idea—like this bakery in Cuzco, Peru—but just lack the capital to make it work.

I recently started a catalog on the Internet to market some of the goods people are producing in our projects. This gives World Vision supporters an opportunity to get involved in something more than just giving money. It will help us distribute products made in Guatemala and the Dominican Republic. [EDITOR'S NOTE: you can find this catalog at www.3rdworldimports.com/index.]

What other ideas do you have to maximize the potential for developing microenterprise in the Third World?

You have to confront complicated problems with complicated solutions. If you give all the people in Haiti a loan, they wouldn't know what to do with it. One of the things I'm proposing we do in Haiti is start a carpet-making business. There are workers there who already know how to do it. The lady who used to run the factory left with the embargo in 1993. The market is already well-defined. They can make a handmade carpet for \$150 in Haiti, and then sell it in Miami for \$1,000.

You can't just give people small loans. You have to think about bigger projects that have mark-up value. The informal sector isn't capable of coming up with ideas that involve innovation, exporting, and that sort of thing.

I have samples of handmade leather boots made in Guatemala. There are 50 guys who make these boots in Antigua, Guatemala, and there are people who come down from Los Angeles and fill up a bunch of suitcases with them. They buy them for \$50 and sell them in Los Angeles for \$250.

We have to get involved in helping to find the export outlets for people like these, and give them a better piece of the margin.

Some critics say that microcredit programs don't help the poorest of the poor. Is this true?

Microcredit programs can't help the very poorest people, because the very poorest people—drug addicts, drunks, people on the street—don't have a business idea. Again, it's critical that the person who is getting a loan

have a business idea that's viable in the real world marketplace. That's the starting point.

What most excites you about your work in microenterprise development?

It's exciting to see someone who started a small business not only pay the loan back but expand his or her business to a very nice size. I have a friend in Honduras who started a little electronic repair company in 1979 with a very small loan. Now he has 60 employees, and he makes a salary that is considerably more than mine.

I was in Guatemala recently where I saw a good solidarity group of 20 people, including men and women. They did so well in potato farming last year that they were able to buy their own land. And that's in an area of Guatemala where no other government or private agency does lending because they say it's too risky to lend in agriculture.

But most poor people are farmers. Now, it is risky. They make so much money one year and the next year they don't make any. But we've seen unbelievable results.

It's exciting to see these types of changes in people's lives. It's exciting to see the impact in communities and even in churches when there is a loan program that helps people increase their incomes.

How do loan programs affect the church?

In the Dominican Republic we organize people in churches to create a loan program called "community banks." Some of these community banks are managing up to \$20,000-\$25,000. We have unsolicited notes from pastors in these churches thanking us because they see their tithes increase. People with more income give more to the offering plate.

A church in Santo Domingo has adopted an evangelistic strategy with their loan program. They said, "Our church is located in a poor community. Let's involve our church people in the loan program, but let's also offer loans to the community." So they use it to bring more people into the church. It's been so successful that they are now starting another community bank. It started with 15 members, and now it has more than 60. ☉

World Vision *Microenterprise* **INVESTMENT** *Council*

World Vision's microcredit programs "have created the opportunity for us as Christians to demonstrate that we are here to serve, giving hope to the men and women who could not get help from their own banking system," says Marie Chichester, of Orange, Calif., who last summer visited several budding entrepreneurs in Cluj, Romania. The entrepreneurs had all received small loans and training from World Vision's CAPA loan program.

Chichester is a member of World Vision's Microenterprise Investors' Council, a growing group of 25 U.S. Christians committed to aiding poor and oppressed people in struggling communities worldwide by helping them start small businesses. Each year, Council members invest a minimum of \$5,000 to World Vision microenterprise projects, and offer their business and technical expertise to fledgling entrepreneurs through one-on-one consultations and workshops.

World Vision is holding regional meetings in the United States showing interested investors the potential of small-business development to help relieve worldwide poverty. To find out about a meeting near you or to receive more information about the Microenterprise Investors' Council call World Vision at (888) 511-6406.

A LOAN to Dye for

*Small loans
are bringing
color and
livelihoods
to the desert
country of
Mauritania*

NENA MINT EL VOULANI, 45, lives in a one-room cinder block shack anchored to the crest of a sand dune in a remote corner of Arafat, an 18.6 square-mile urban slum on the outskirts of Nouakchott, capital city of Mauritania.

She eats, sleeps, and works in this room with her three adult daughters, two nieces, and two nephews. But she doesn't complain. "Thanks be to God," Nena says prayerfully. "I can feed my family. I have a roof over my head. I know many people who don't."

Aid workers describe the poverty in Arafat as a quiet catastrophe that never makes the nightly news. There is no running water, electricity, or latrines in this squalid neighborhood of 80,000 squatters, which used to be dubbed the world's largest refugee camp.

Most people here are former nomads from the country's interior who lost their herds and way of life during droughts that decimated this desert land in the 1970s. Today these displaced, uneducated wanderers are still reeling from "future shock," unable to adapt to fast-paced, sedentary urban life. These once noble lords of the desert now scratch out a living by selling charcoal or water door-to-door by donkey cart, doing laundry, or working as domestic servants.

Nena, however, is an optimist—literally. President of a women's cooperative that calls itself *Tawfik*, or the Optimists, she is one of Arafat's leading small business entrepreneurs. Quite an

accomplishment for an unskilled woman who was illiterate and almost penniless just two years ago.

Nena's muscular and calloused hands hint of the harsh life she has survived in this barren land. She grew up in the middle of the Sahara desert, 370 miles southeast of Nouakchott. Her family are Haratins, the descendants of former slaves. Nena never attended school or learned to read. Like 79 percent of Mauritania's women, she was illiterate.

Married at age 12, Nena delivered her first baby a year later. The infant died soon after birth. Each year in Mauritania, some 17,000 children under age five die from preventable diseases such as diarrhea, respiratory infections, and malaria.

Two years later, at age 15, Nena delivered her daughter, Aida. Her husband divorced her soon after, freeing himself by simply repeating "I divorce you" three times, the Muslim custom in this Islamic country.

Nena remarried and moved to Nouakchott with her husband in 1981 during yet another drought crisis. Destitute, they ended up in crowded, filthy Arafat with their three daughters, Aida, Aicheton, and Mariem. And Nena's traditional, rural way of life disappeared forever.

Soon Nena's second husband abandoned her, leaving her to care for the children. Yet she had no skills or means of making a living. Nena had always depended on her husband.

Nena met many other mothers in her predicament in Arafat, where divorced women head 38 percent of the households. Understanding there is strength in numbers, Nena and six neighbours formed a cooperative, pooling the little money they had left 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 feet. Clad in these colorful designs, the women often provide the only splash of color on Nouakchott's sandy streets lined with mud-brick buildings.

HOT ON THE MARKET

The cooperative's intricate designs proved popular in Nouakchott's hot mulawfah market, where new styles are in constant demand. Each veil sells for \$8 to \$10.

The Tawfik group soon grew to 25 members, but the women had cash-flow problems. Because they were illiterate, they couldn't keep records of their money. They never seemed to have enough cash to buy a stock of fabric and dye at wholesale prices. Borrowing money was out of the question. Bank managers don't consider poor, illiterate women a good credit risk.

One day a neighbor told Nena and her partners about World Vision's Road

Nena mint El Voulanij (left) and 24 other Mauritanian women—part of a cooperative dubbed "The Optimists"—borrowed \$1,433 from World Vision to expand their business of creating mulawfahs, traditional costumes women wear in that country. Credit officer Marieme mint Bilal (right) examines some of Voulanji's products.



of Hope Urban Program. As part of its community-building activities, ROHUP operates a small enterprise development program known in French as AMA, Appui aux Microentreprises d'Arafat. AMA provides loans, management training, and literacy classes to small businesses, including small shops, tailoring and dress making, brick production, and construction. Since its inception in June 1994, AMA has disbursed 52 loans totalling approximately \$90,000 to cooperative groups in Arafat.

"If you want people to stop dreaming about the past, you have to help them

adjust to urban life because it's unlikely they are ever going to return to the desert," said ROHUP director Renny de Kline, a Dutch woman who has worked with World Vision in Mauritania since 1993. "When granting loans, we consider people who are willing to help themselves; who have already shown some initiative. Making loans available for these grassroots entrepreneurs is one of the most effective ways to strengthen the community."

MEETING THE CRITERIA

The Tawfik members met several times with Renny and credit officer Marieme mint Bilal to discuss the credit program's stringent criteria. Applicants must submit a clear business plan, a budget, and a cash flow statement. The business must have the potential to expand and must contribute at least 10 percent of the required loan in cash or kind. No loan exceeds \$2,500.

All borrowers, most of whom are illiterate, must agree to take part in ROHUP's training courses. Bookkeeping, budgeting, planning, and marketing are part of the literacy curriculum. Reading and writing are made very practical and immediately applicable, which is critical for adult learning.

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

"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," said Hapsatou Bal, a World Vision credit officer. "They had no collateral. They had nothing to give but their dignity."

REPAYING THE LOANS

To date, the AMA program has helped more than 5,750 people, including loan recipients and their families. More than 4,000 training sessions have been held and 137 students have graduated as bookkeepers. As a result of this education and careful follow-up, the project boasts an outstanding loan repayment rate of 96 percent.

"Thanks to these small businesses that World Vision is supporting, women now have something productive to do outside the home," added Marieme

mint Bilal. "They are learning new skills that help them become more economically independent. They can pay for their children's school fees and books and medicine."

Nena and her daughters are sharing their new literacy skills with friends and neighbors. Aida is already an enthusiastic teacher in one of the 27 community literacy centers operating in Nouakchott. Nena's 22-year-old nephew, Oumar, has also become involved in community development. He leads one of 18 local youth groups begun by ROHUP. Their activities include leadership training, literacy classes, vacation camps, sports tournaments, and cultural events. More than half of Mauritania's 2.1 million people are under age 15.

THE INVESTMENTS PAY OFF

Hope and pride are among the many dividends World Vision staff are seeing from their investment in Arafat. Neighborhood clean-ups; tree-planting campaigns; community theater; fund-raising drives—these are just a few of the activities that are springing up in Arafat as residents begin to call this patch of desert home.

Shopkeeper Mohamed Seck describes the progress he has seen since his family moved to a particularly poor section of Arafat several years ago. "We used to say, 'The mayor doesn't know we are here. The police don't even know we are here. But thank God we are right next to the cemetery because we will probably die here.'" Today he boasts about his neighborhood's new football field, two active youth groups, and a profitable community business cooperative, all launched with ROHUP's help.

Renny de Kline smiles when she hears stories like Mohamed's. "Our dream is to see a network of small businesses, cooperatives, youth clubs, and associations who will train others and raise funds for their own projects," she explains. "The familiar support structures of village life may be gone. But life in the city can be good if people get to know one another and work together." 🌐

Karen Homer is a World Vision journalist based in Dakar, Senegal.

*The
Miracle
of MICRO
LOANS*



In Romania:

Opening the **DOOR** for Small Business

BY TOM KONJOYAN WITH DEBRA PRINZING

RUSS IOAN AND CAPUSAN AURAM, like many other Romanians in 1988, were highly educated professionals mired in dead-end, low-paying jobs. Despite their extensive training as engineers, Romania's communist system employed them in a state-run factory with no hope of ever improving their careers or owning their own companies.



KELLY KONJOYAN / WORLD VISION

Russ Ioan and Capusan Auram borrowed \$2,500 from World Vision's loan program in Romania to expand their struggling furniture business. They doubled their output, and today they have three more employees and are planning for a second loan.

WHEN ROMANIAN DICTATOR NICOLAE CEAUSESCU was overthrown in 1989 and the country took its first tottering steps toward democracy, Ioan and Auram caught the spirit of free enterprise, left their factory jobs, and started Est Salt, a carpentry business that constructs doors, window frames, and furniture. Based in the timber-rich region of Transylvania, the two men had little business experience and much ambition. They knew that demand for locally-produced

furniture and wood products exceeded available supplies and believed they could create a business to address those needs.

With no working capital to expand production and no access to Romanian bank loans, Est Salt struggled with low productivity. Then Ioan heard about a new organization called "Credit, Consulting, and Training for Business" founded by World Vision, that offered loans and other aid to small entrepreneurs like him. Before long, Ioan and

Auram met with a CAPA loan officer to create a business plan diagramming the company's expansion.

After obtaining a \$2,500 CAPA loan, Est Salt's operations grew considerably. The two men invested in better machinery and lumber. Not only has this jump started their expansion plans, it has enabled Est Salt to hire three more employees, creating much-needed jobs in their community.

Est Salt's production has doubled and the business is well on its way to profitability. Ioan and Auram say they plan to repay the funds early so they can apply for a subsequent loan to finance further expansion. Moreover, they are applying to the Romanian government to certify their employee training program so that staff can become qualified journeymen carpenters and pursue their own dreams of starting small businesses.

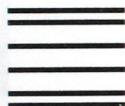
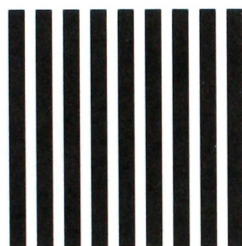
Since the demise of Romania's communist government eight years ago, democracy has created political and religious freedom but little economic benefit. The unstable economy has made it difficult for the highly educated and trained Romanian people to translate their skills into viable for-profit businesses. World Vision, through its microcredit program, is helping equip Romanians to take advantage of their new economic freedoms, and to create new futures for their families and communities.

Romania's 1989 collapse left in its wake people eager to embrace the West

WORKING TOGETHER *for the Kingdom*

By Miguel Tello

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international involvement offers a significant new direction for the National Association of the Church of God. Leaders are enthusiastic, anticipating that mission opportunities will broaden their congregations' horizons.

Local Involvement: The National Association of the Church of God and Welfare Reform

The denomination's primary goal is to meet the needs of African Americans affected by welfare reform.

Continued ►



In Romania:

Opening the **DOOR** for Small Businesses

RUSS IOAN AND CAPUSAN AURAM, like many other Romanians in 1988, were highly educated professionals mired in dead-end, low-paying jobs. Despite their extensive training as engineers, Romania's communist system employed them in a state-run factory with no hope of ever improving their careers or owning their own companies.



Russ Ioan and Capusan Auram borrow in Romania to expand their struggling furniture business; they have three more employees.

WHEN ROMANIAN DICTATOR NICOLAE CEAUSESCU was overthrown in 1989 and the country took its first tottering steps toward democracy, Ioan and Auram caught the spirit of free enterprise, left their factory jobs, and started Est Salt, a carpentry business that constructs doors, window frames, and furniture. Based in the timber-rich region of Transylvania, the two men had little business experience and much ambition. They knew that demand for locally-produced

Hope Is Alive In Her Heart

Judith Mbazira was like many women in the Rakai District of Uganda who have been widowed as a result of the AIDS pandemic. She and her children were desperately poor, living off the meager profits of a small banana grove. But today hope is alive in her heart.

Through World Vision's economic development program, Judith received a small loan to buy a cow, and now boasts of the abundant benefits from her new business:

- Profits from selling extra milk are repaying the loan.
- The cow has calved, so now she owns two cows.
- She fertilizes the banana grove with cow manure.
- The banana yield has tripled since using the manure.

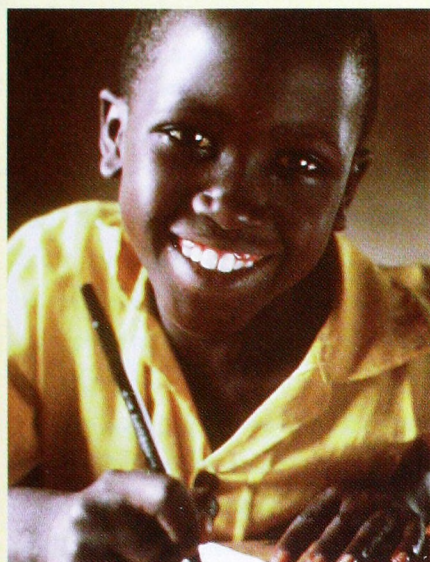
Today, Judith says, "I have milk for my children. Most women in my community admire me, even men!" One small loan empowered Judith to secure her family's food supply and economic health.

Many more women are waiting to receive loans from World Vision's microenterprise development program in Rakai, where 44 percent of all loans are distributed to women whose families depend on them for survival. Please help World Vision fulfill these women's dreams of self-sufficiency and economic security.

Your gift will bring hope to many widows and orphans as they experience economic stability in Uganda.

WORKING TOGETHER *for the Kingdom*

By Miguel Tello



Last August, World Vision and the National Association of the Church of God (Anderson) celebrated the birth of their new partnership—a unique agreement between a humanitarian aid organization and a Christian denomination. Both parties agree that the timing and purpose of this historic collaboration are right. Bishop Benjamin Reid of the National Association of the Church of God enthused, “God is doing a new thing among us. We are excited!”

ABOVE: Children, like this boy from Kenya, will benefit from the new partnership.

RIGHT: Bishop Reid signs the partnership agreement between the National Association of the Church of God and World Vision.

The partnership promises to enhance each organization's mission. The National Association of the Church of God will benefit from the breadth and variety of resources and programs World Vision offers churches, such as the global sponsorship program, mission education resources, and community development training programs. For World Vision, working with an entire denomination means that it will be able to aid increasing numbers of people through its programs targeting the impoverished in the United States and abroad.

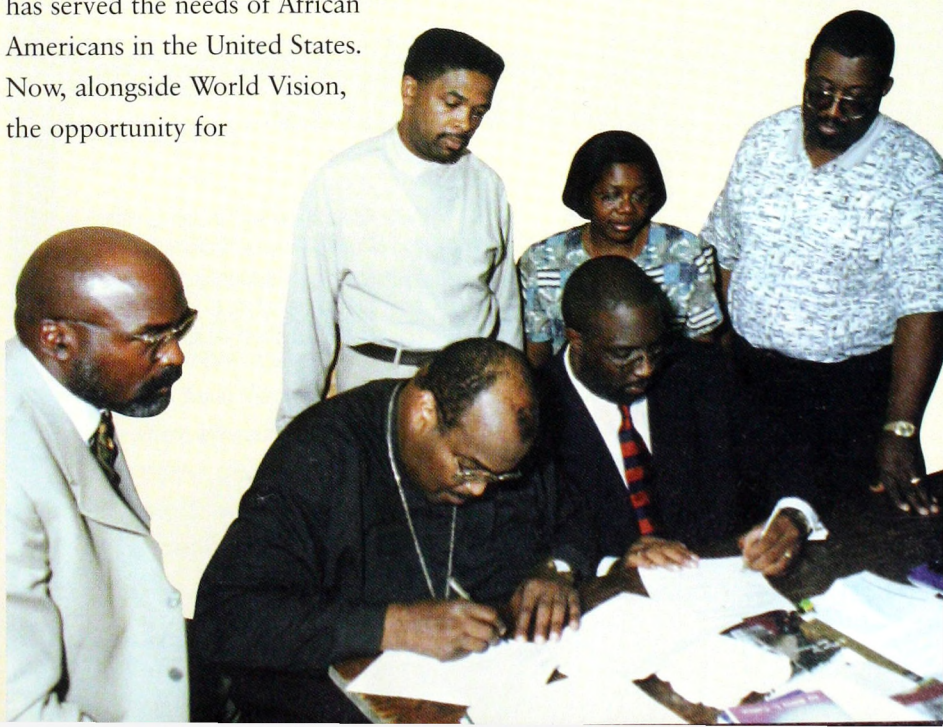
Traditionally, the denomination has served the needs of African Americans in the United States. Now, alongside World Vision, the opportunity for

international involvement offers a significant new direction for the National Association of the Church of God. Leaders are enthusiastic, anticipating that mission opportunities will broaden their congregations' horizons.

Local Involvement: The National Association of the Church of God and Welfare Reform

The denomination's primary goal is to meet the needs of African Americans affected by welfare reform.

Continued ►



World Vision will provide educational resources that will help congregations better understand the implications of reform measures, and what they can do to help families make the transition off welfare. Working together, World Vision and the National Association of the Church of God will further their mutual goals in this area by developing community programs and by networking with other charitable organizations to maximize resources.

Developing new programs and streamlining current ministries is another partnership objective. To help equip its churches to



The National Association of the Church of God and World Vision are working together to help needy families such as this one in Kenya. The denomination also will work with World Vision in Ghana and Haiti.

meet these new objectives, the National Association of the Church of God plans to use World Vision's "Vision to Reality" training program, designed to help churches and church-based organizations develop and manage community programs. The program trains groups to design, fund, implement, and evaluate programs.

International Involvement: Mission Projects

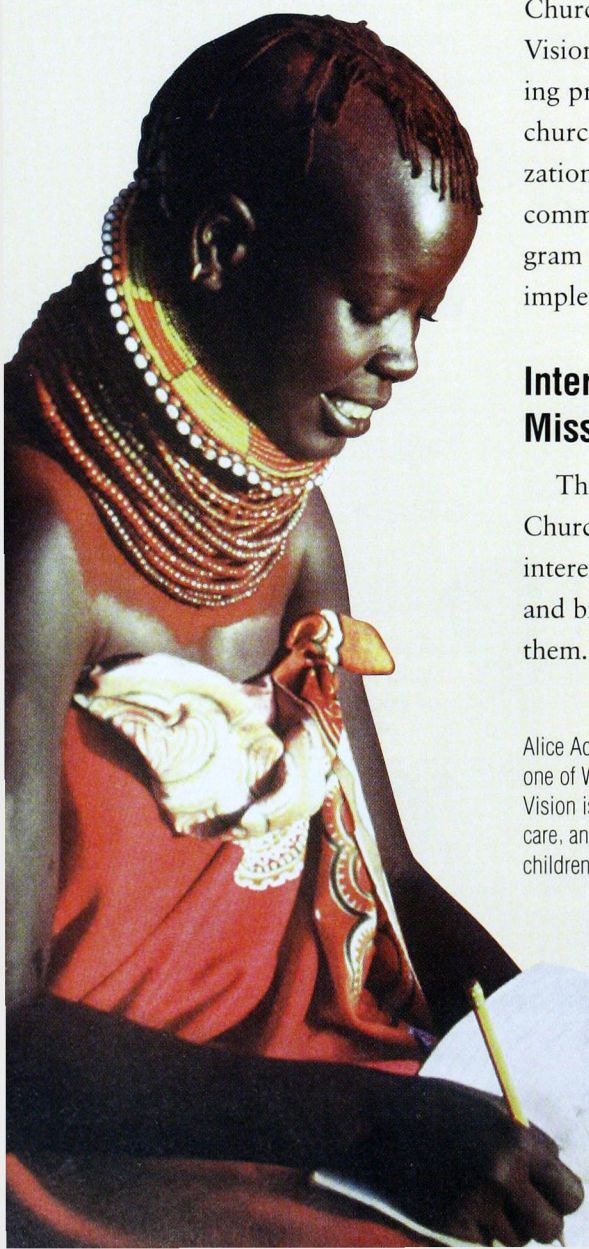
The National Association of the Church of God has increased its interest in helping people overseas and bringing the gospel message to them. Diana Swoope, associate

pastor of the Arlington Church of God, says the partnership will allow the church to "blend its unique message" with the work of World Vision.

The denomination will become involved in World Vision's work assisting the poor in Haiti, Ghana, and Kenya. Members can choose to sponsor children through World Vision in these countries, thereby helping to provide education, health care, and nutritional aid to children and families.

Another approach for the National Association of the Church of God is to support an Area Development Project in one of the targeted countries. ADPs are clusters of sponsorship villages with local staff who are committed to long-term community development. World Vision's ADP staff help communities improve agricultural output, upgrade facilities such as schools, community centers, water systems, and roads, and provide vocational training to help families generate income.

Alice Adoro, a teenager in Kenya, participates in one of World Vision's literacy programs. World Vision is providing educational assistance, health care, and nutritional aid to almost a million children through the child sponsorship program.



In addition to collaborating in local and international projects, World Vision will provide mission education materials and Lent and Advent curricula to help the denomination's congregations observe these seasons with greater reflection and meaning.

Looking to the Future

Possibilities for the Church of God's partnership with World Vision are just beginning to unfold. The collaboration opens the door for involvement in new ministries and in improving current ways of serving the poor. World Vision and the National Association of the Church of God will be able to make better use of the resources they have to offer the needy and avoid duplicating efforts.

The unprecedented alliance also paves the way for new partnerships. World Vision currently works with churches from more than 50 denominations worldwide. Partnerships like the one between the National Association of the Church of God and World Vision will become models for other churches and service organizations. They will help the church to become more effective—now, and in the 21st century.

Farmers in Haiti are among those learning to produce better crops through World Vision Area Development Projects.



Pearls for the Pulpit

Sermon Illustrations and Stories of Hope

Fidelity

It is difficult to believe in permanency or fidelity in a world where commitments are broken regularly. In the midst of uncertainty God calls us to trust in him. Christine Chapman, or Chrissy as her friends call her, is a living example of fidelity. As an Englishwoman helping abandoned and orphaned children in Burundi, she has had to deal with many hardships. The medical clinic and dispensary that she set up were destroyed and seven of her colleagues were killed in the country's turmoil and genocide in 1993. Despite all the upheaval she has chosen to remain in the country.

Today, Chrissy runs the Emergency Infant Refuge Center in Bujumbura. She and three other staff members care for young unaccompanied children and babies who have either lost their parents or have been abandoned by them. Although she often has difficulty making ends meet and finding the resources to pay her staff, she manages to keep this ministry alive.

Perseverance

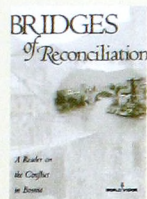
Sometimes a word of encouragement is all we need to help us persevere in the calling or mission we have received from God. In Sierra Leone, economic hardships and the lack of ongoing support have pulled pastors away from their ministry. A Lutheran pastor, who participated in a conference for pastors and lay leaders sponsored by World Vision, had been struggling to make ends meet with \$40 a month despite having a bachelor's degree and a master's degree from the United States. He decided to leave the ministry and go out into the world and make money. However, at the end of the conference he approached missionary Bill Turkovich with tears in his eyes and said that after hearing the message at the conference, he would continue to be faithful to God's call.

Selfless Giving

Responsibilities can become an oppressive burden, but when we see how our efforts are helping others, the burden can become selfless giving. Haile Tekle is an Eritrean immigrant and former teacher living in Seattle. He works two jobs; he manages a janitorial service during the week and works as a janitor in a school on weekends. He also tutors children four evenings a week with World Vision's KidReach, a program that connects children with low academic achievement with caring adult tutors. Although Haile's lifestyle is very demanding, it holds his family together, pays the bills, and ensures a future for his two sons participating in the program. Haile wants to provide a future for other Eritrean children as well, and sees tutoring as a vital means for achieving this end.

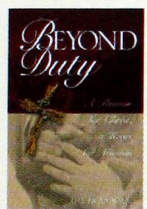
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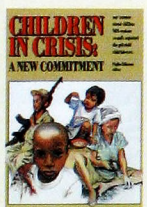
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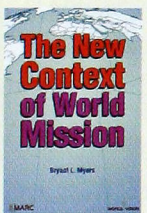
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Children in Crisis: A New Commitment

Phyllis Kilbourn, editor. This book acquaints the reader with issues such as street children, child laborers, children with HIV/AIDS, children of war, the girl child, and sexually exploited children. 304 pp. \$21.95 # N-004



The New Context of World Mission

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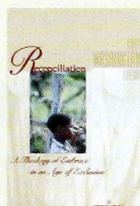
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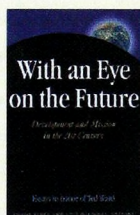
Compassion and Fatigue

The Washington Forum (1996). Authors Dr. Tony Campolo, Rev. Earl Palmer, Rev. Bill Hybels, and others offer their reflections on the issue of rekindling compassion in the face of fatigue. 78 pp. \$9.95 # N-003



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and its market-economy models. Subsequently, the closing of state-owned factories left a large percentage of the population unemployed. This economic instability, coupled with increasing consumer prices and currency devaluation, left many unable to provide for their families.

World Vision saw the potential of small-business creation in building sustainable and stable communities. There were two major barriers, however, to small-business growth: lack of formal business skills and little access to seed

Yes! I want to provide seed money for microenterprise development in a country like Uganda. I'm enclosing a gift of

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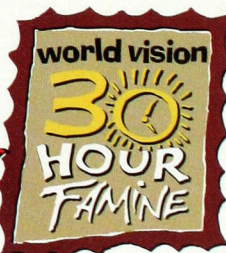
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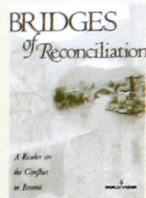
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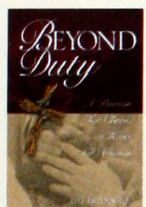
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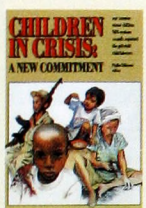
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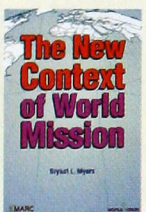
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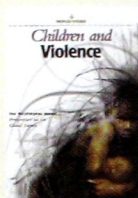
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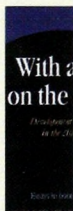
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and its market-economy models. Subsequently, the closing of state-owned factories left a large percentage of the population unemployed. This economic instability, coupled with increasing consumer prices and currency devaluation, left many unable to provide for their families.

World Vision saw the potential of small-business creation in building sustainable and stable communities. There were two major barriers, however, to small-business growth: lack of formal business skills and little access to seed capital. While Romania has a viable private banking industry, financial institutions have made it virtually impossible for those trying to obtain small business loans by requiring burdensome collateral and charging excessive interest rates.

In 1996, the Romanian American Enterprise Fund—a U.S.-funded agency committed to developing the Romanian economy—provided CAPA \$1 million to use as microloans for entrepreneurs wanting to launch small businesses in the Cluj and Dolj regions. Over the past two years, CAPA has helped birth 238 new businesses, including 75 women-owned companies. Ventures involved include carpentry, agriculture, food production and processing, advertising, printing, signmaking, electronics assembly, and plastics.

CAPA loans range from \$1,500 to \$15,000 and charge a 22 to 26 percent annual interest rate. Loan repayment varies, but generally runs from six months to three years. To qualify, participants must complete a training program and commit a personal investment in the business greater than the microloan amount.

The CAPA program has not only helped more than 834 fledgling businesspeople expand, it has taught ethical business practices to entrepreneurs. Moreover, growing companies are able to generate much-needed jobs in the communities in which they operate. The training and ongoing consulting provides CAPA staff the chance to develop relationships with Romanian entrepreneurs, relationships that allow World Vision staff to demonstrate to them Christ's love, as well as Christian values and ethics. ☉

Tom Konjoyan is director of World Vision's Microenterprise Investment Council. Debra Prinzing is a free-lance writer in Seattle.

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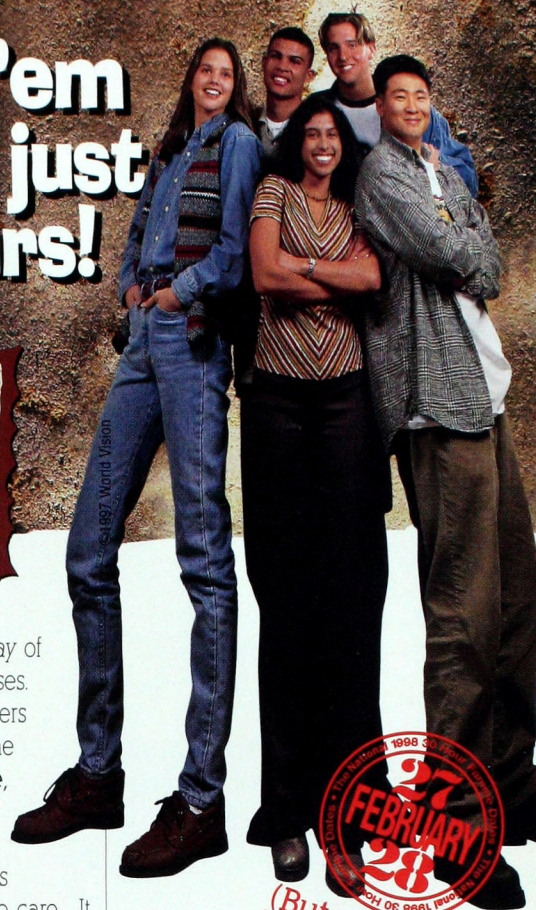


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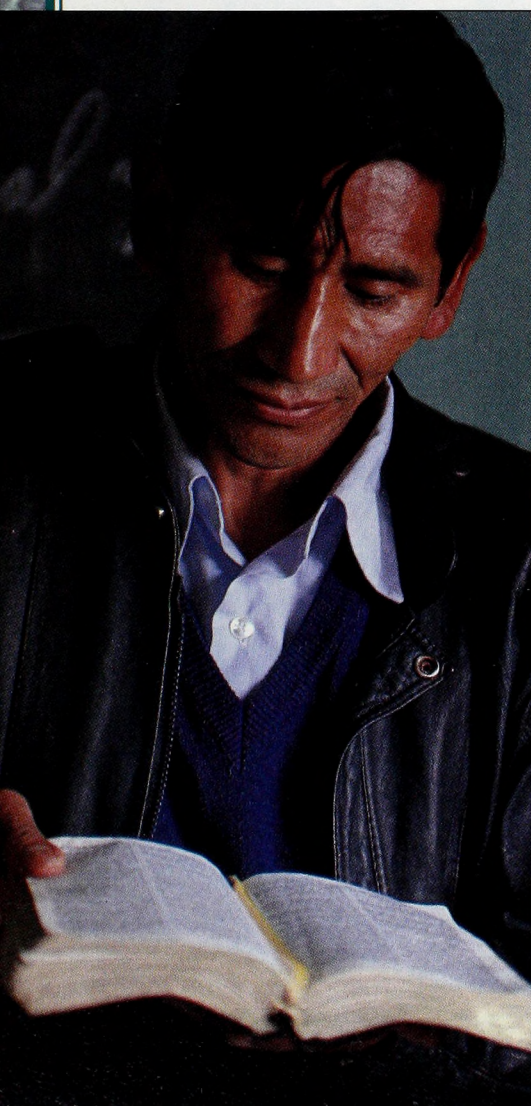
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B83E

The Miracle of MICRO LOANS

Pastor Lucio Callasi borrowed \$760 to increase his small ceramics business. The business' success has afforded Callase more time to lead his small church.



LUCIO CALLASI'S MULTI-LEVEL HOME, crawling up the hillside above a rushing river in Pisac, north of Cuzco, Peru, hums with the activity of his ceramics business.

While his wife, Florencia, fixes lunch in the kitchen on the first floor, his sons Marco, 16, and Pepe, 8, meticulously paint small ceramic pieces—Inca symbols, animal figures, and crosses—in a tiny room upstairs. Oldest son Carlos, 19, a gifted artist, works in the courtyard designing new molds. On the roof, buckets of clay soak up water and soften near a large kiln where molded ceramics bake. Lucio prepares to seek out new local buyers for the homemade jewelry. Eventually he hopes to sell to stores in Ecuador, Colombia, and Brazil.

Only a few years ago, Lucio's livelihood was suffering. "I couldn't get supplies. The business wasn't growing. I couldn't work," he recalls.

Then Lucio heard about ASODECO, a loan association initiated by World Vision in Cuzco, which helps individuals and groups with plenty of business acumen but little capital. Lucio joined four other ceramics entrepreneurs to form a solidarity group, and they qualified for a loan. Now the Callasi family business generates 15,000 ceramics pieces a week, each priced at about 20 cents. The Callasis' increased income means the six children can finish school and develop their talents, and Lucio, a pastor for 28 years, can devote more time to leading his small evangelical congregation.

While Peru's terrorist troubles seem to be over—leaders of the brutal Shining Path group are in prison, and a three-month hostage crisis orchestrated by Tupac Amaru rebels in the capital, Lima, ended last April—this nation of 24 million struggles to recover from economic woes. In the late 1980s, soaring inflation rendered the currency almost useless, and Peru exhausted international reserves. Although President Alberto Fujimori stabilized the economy in 1994, more than half the population remains poor, with 85 percent lacking full-time jobs.

Small entrepreneurs, like Lucio, and new business owners are at a great disadvantage. "I used to go to banks and they ignored me," Lucio says. "They asked me for so many papers—when I got married to my wife, they didn't ask for so many papers!"

ASODECO, established in 1994, has invested in more than 200 small business owners like Lucio. By choosing loan recipients wisely, the association has maintained an average repayment rate of 96 percent.

Lucio's share of the first loan in January 1996 was about \$760, which he used to buy paint and hire two employees. After repaying it, two subsequent loans expanded his business and bought more supplies such as clay stones and wires to string the jewelry.

"Everyone is selling ceramics, but we're doing better because of the quality of our work," says Lucio's son Carlos, 19, who designs the family's pieces to be original and distinctive from competitors'.

In Peru: *The* **MEANS** *to Serve*

TEXT BY JANE SUTTON

PHOTOS BY TODD BARTEL

With his business on track, Lucio devotes more energy to pastoring a 60-member church housed in a simple blue building on his property. When Lucio first moved to Pisac from Cuzco in 1985, there were no evangelical preachers in the area. First he invited people to his home for prayer and fasting, and in 1986 he built the little church, now furnished with wood benches and a chalkboard. Last Christmas, 380 people squeezed onto Lucio's patio for services.

Most important to Lucio is that life is better for his children. "I want them to study. I hope they become professionals," he says. Two daughters already have—one is a dental technician; the other is a licensed producer of fruit preserves. The sons are in school and learning from the jewelry business. "I thank God that I was able to get the loans," Lucio says.

SINGLE MOTHER AGUEDA DAVALOS VALDEZ echoes this statement. With the help of ASODECO, she opened a restaurant called Yolita's, named for her 27-year-old daughter, Yolanda. The Cuzco native returned here almost penniless after turbulent years in Lima, and put \$4 from her brother and 30 years of experience in the restaurant business toward a roadside stall selling cooked potatoes. From there she graduated to a tiny eatery, but still she struggled. "My brother said, 'Go to ASODECO,'" Agueda recalls. "Thanks to God, I was able to get a loan."

With her first loan of about \$380, in 1995, Agueda replaced her dilapidated stove and mismatched restaurant furniture with new items, and repaid the loan in six months. The second loan, about \$760, enabled her to move to Cuzco's university district and open Yolita's, a sunny, second-floor restaurant that serves the same two-course meal at breakfast and lunch for about \$1. In July 1996, she obtained another loan of about \$2,270, which she used to finance a car that enabled her to accept a contract for providing meals to employees and customers of a plant nursery every Saturday.

"Business is 100 percent better here than in the old place," Agueda says. She does all the cooking and helps two waitresses serve about 60 customers at breakfast and between 80 and 100 at lunch. When classes at the university are




in session, there may be a lunchtime rush of up to 200 customers.

"People ask me how I can be on my feet all day," Agueda says. "It is tiring. But the Bible says, 'They will run and not grow weary.' That is a promise I have."

A Christian for six years, Agueda plays Christian music cassettes in the restaurant and refuses to serve alcohol. Yolanda, who often helps out with waitressing, likes to pray with customers who seem troubled.

"None of this is mine. It's God's," Agueda says, glancing around at the tidy, friendly restaurant. "I'm an administrator for the things he provides." ☉

Agueda Davalos Valdez (right) has used three small-business loans to build a successful restaurant she named after her daughter, Yolanda (left). Yolanda often prays with troubled customers.

A close-up, profile photograph of a young girl with dark hair. A large, light-colored flower is tucked into her hair. She is wearing a sari with a blue, yellow, and white pattern. Her right arm is visible, adorned with several red and white bangles. She is looking down and to the right with a slight smile.

A tale of two daughters—almost a double tragedy. Deeparani and Thenmuri, both 6, were born to twin sisters in southern India where little girls are less a blessing than a burden, their worth dependent on their parents' ability to pay wedding dowries. In the Usilampatti region, the honor attached to dowries is paramount, driving poor families to murder their own daughters.

Since 1988, World Vision has worked to persuade these parents to keep their daughters. More than 400 children are living proof of success—including Thenmuri and Deeparani. World Vision staff gave their families goats and placed certificates of deposit in the bank for the daughters' dowries. Both girls were guaranteed sponsorship and health care.

"If World Vision hadn't helped us, we wouldn't have kept this child," says Thenmuri's father, who works as an agricultural laborer.

After World Vision social worker Indirani Karthakannan convinced Deeparani's mother to keep her, the girl's father flew into a rage and attempted to kill the newborn by setting the family hut ablaze. Laxmi rescued Deeparani and now raises her alone. The young mother has become an outspoken advocate for parents to keep their daughters. 🌐

Photo by Jon Warren

SIGNS OF HOPE IN

INDIA



World Vision Prepares for

EL NIÑO'S TANTRUMS

Contrary to its namesake, the El Niño weather pattern (Spanish for "The Child," referring to the infant Jesus) is stirring concern in the hearts of millions worldwide this December. Through early interventions to mitigate El Niño's effects, World Vision is turning this concern into hope.

Floods throughout South America. Droughts in Africa and Southeast Asia. Hurricanes across the Pacific. Even a moderate El Niño—the periodic warming of Pacific Ocean waters—can create life-threatening weather anomalies around the globe.

The havoc from the strongest El Niño this century (1982-83) claimed 30,000 lives and caused an estimated \$13 billion in damage, according to the United States National Oceanic and Atmospheric Administration. Satellite measurements indicate this year's El Niño will likely exceed all previous tantrums. But will it claim another 30,000 lives? World Vision relief experts are confident the organization can help reduce the threat to human life through timely interventions in cooperation with governments and other donor agencies.

THE LIFE OF A NIÑO

The Pacific Ocean produces El Niños of varying severity every two to seven years. El Niños begin with a slackening of east-west trade winds that fan warm surface water across the Pacific Ocean from Peru and Ecuador toward Australia and Southeast Asia. When trade winds let up, as they began doing earlier this year, the warm water skims back east. The retreating water

tows warm air with it, creating pressure differences that trigger changes in the world's weather systems.

An El Niño in full swing can be deadly. Tropical rainstorms—which normally sustain the Philippines and Indonesia—cause flooding in the coastal deserts of Peru and Ecuador. Droughts then parch areas of Southeast Asia and Africa, creating severe food shortages. These global effects usually last a year, but can linger for as long as 22 months.

EARLY INTERVENTION

Unlike past El Niños—which struck without warning—meteorologists, international organizations, and World Vision's Early Warning System team are closely monitoring this year's El Niño and its potential threat. According to Jim Goering, World Vision Relief and Development's director of international programs, "World Vision staff are working with donors and governments in mobilizing resources to help mitigate the worst of El Niño's effects." Chief among those threats are floods, drought, and, because of the unusually warm and wet weather in some regions, the spread of disease.

PREPARING FOR FLOODS

This year's El Niño first showed its destructive power in June when it contributed to a devastating flood that swept through parts of Chile. Shortly after, Chile's neighbors to the north, Peru and Ecuador, declared advance states of

emergency in their coastal provinces due to excessive rainfall. By August, Ecuador's swollen coastal rivers had flooded nearly 10,000 acres of rice, banana, sugarcane, and other crops and washed away sections of major highways.

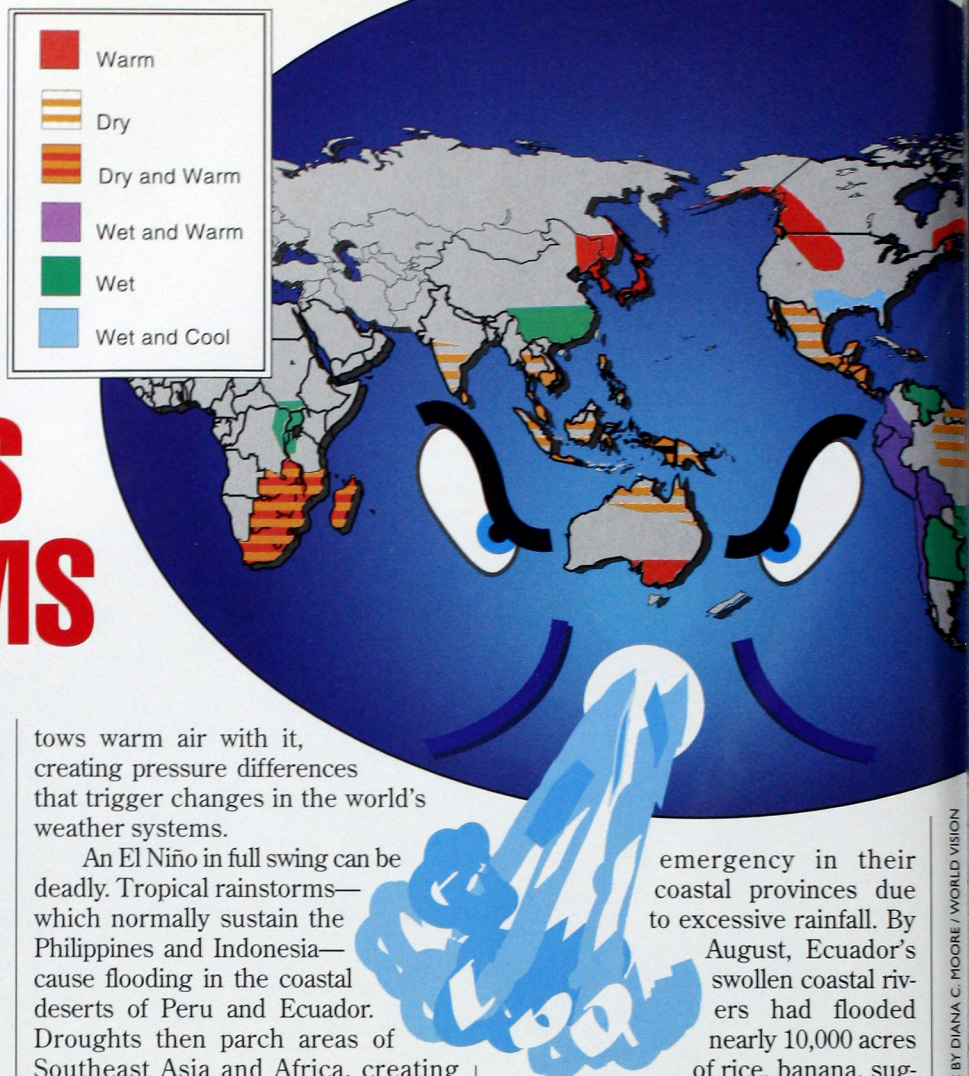
World Vision field staff in coastal areas of South America are busy preparing for more flooding. They are working with governments and local communities to build levies, create food reserves, and advise farmers to plant crops that can withstand heavy rains and some flooding.

RESISTING DROUGHT

Meteorologists believe El Niño will most seriously damage Southern Africa, Southeast Asia, and inland areas of South and Central America, where severe droughts seem likely (see map).

Nicaraguan farmers have been losing crops to hot, dry weather since last June. After just two months of drought, many farmers declared it the worst of their lifetime.

Since mid-summer, World Vision agricultural specialists and agronomists in Latin America and Southern and Eastern Africa have been helping small-plot farmers, livestock owners, and farm workers to prepare for continuing drought.



World Vision advises farmers to stagger the planting of short-season, drought-resistant crops such as sorghum, cassava, cow-pea, and millet while avoiding thirsty crops like corn. In October, World Vision began distributing "harvest paks" containing 50 pounds of drought-tolerant seeds—enough for more than 3.5 acres—to farmers in vulnerable countries like Mozambique.

Good farming techniques will also increase crop yields during a drought. World Vision trains farmers in irrigation, mulching, and effective planting methods.

World Vision educates livestock farmers as well. Early steps to store up fodder stock provide a better chance of keeping herds alive during a drought. For farmers who cannot create a fodder-stock reserve, World Vision advises selling livestock while they are healthy, as many farmers in South America began doing in August.

PREVENTING DISEASE

Unlike a drought's plodding destructiveness, diseases that thrive during El Niño can devastate a community in a matter of days. This threat looms largest in South America where unusually warm and wet weather provide optimum conditions for malaria, dengue fever, and cholera outbreaks. It took just three weeks during a mild El Niño in 1991 for cholera to advance 1,200 miles up the Pacific coastline of South America.

To prevent cholera epidemics in South America (and in Africa if a famine ensues), World Vision is conducting immunization campaigns in vulnerable areas. Children under age 5 and women of child-bearing age are usually the first to be immunized against preventable diseases.

SAVING LIVES

These early interventions to mitigate El Niño's effects reflect foresight and strategic planning, and will spare thousands of lives. Already families once vulnerable to El Niño's effects are reaping the benefits of cooperative efforts between World Vision, government agencies, and donors. ☉

Brian Sytsma is a World Vision writer based in the Seattle area.

CHILDREN LIVING IN A WORLD WITH AIDS

Children bear a steep cost of the AIDS epidemic, particularly in developing countries. By the year 2000, Africa will have an estimated 10 million children orphaned by AIDS. By the end of this year, a million children—90 percent of them in poor countries—are expected to be living with HIV, the virus that causes AIDS.

The United Nations has chosen "Children Living in a World with AIDS" as this year's theme for World AIDS Day, marked annually on Dec. 1.

Each day, World Vision's staff help meet the needs of tens of thousands of children affected by AIDS: orphans being raised by grandparents in Uganda; teens rescued from the sex industry in Southeast Asia; Romanian children infected shortly after birth through blood transfusions or needles used without proper sterilization.

Additional information on the impact of AIDS on children worldwide is available by calling (888) 511-6464, or at World Vision's web site: <http://www.WorldVision.org>.

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A nation of 23 million people has been starving, silently and painfully, for almost a year. Tens of thousands of its residents have died, up to 5 million more face malnutrition and starvation this winter, and many Americans still ask: "Why should we care about North Koreans?"

IF YOUR ENEMY IS IN NEED...

BY ANDREW NATSIOS

The Stalinist regime of North Korea has been an irresponsible player in the international community. Some critics have said that it is perhaps the world's least deserving country. North Korea's million-man army—pointed at our South Korean allies as well as at 37,000 American troops—dampens our desire to build a bridge of empathy across the seas and across the DMZ, one of the most heavily armed areas in the world. And failed agricultural policies made in Pyongyang, North Korea's capital, have contributed more to the famine than floods or drought.

While every famine is complicated by politics, the North Korean famine is the most politically complicated I have witnessed in more than 15 years. Despite these difficult political considerations, however, I believe we are allowing them to dampen our national conscience and violate the American tradition of sending sufficient food aid to those who desperately need it, regardless of politics. Former President Ronald Reagan stated our tradition best when he said, "A hungry child knows no politics."

In North Korea, politics is killing people. Literally.

Indeed, aiding North Korea raises hard political questions. But there are also legitimate answers. Here are a few examples.

1. Why can't North Korea, which spent millions of dollars on its military, buy its own food?

Some argue that if the North Korean government would only reduce its military spending, it would have the resources to purchase enough grain on the international market and stop the famine.

In fact, the North Korean economy is crumbling and the government cannot purchase anything on credit because of its poor credit rating. North Korea's currency is not exchangeable on international markets so it cannot be used to purchase food.

2. Will food aid encourage North Koreans to postpone needed agricultural and economic reforms?

In the long run, more spending on

agricultural improvements and general economic reforms are critical to avoid famines in the future, and we must do everything possible to encourage the North Korean government to reform. In the short term, however, it is much too late to reallocate resources or to initiate economic reforms to affect the current crisis and save lives.

3. Will the North Korean government divert food aid from those who are hungry to the military or the party elite? How can we prevent it?

First, the military has a separate food distribution system. The United Nations and humanitarian aid groups are working within the general public's food distribution system. Second, by shipping food directly to smaller east coast ports for delivery inland, food aid will avoid the capital and central government where it would be the most vulnerable to diversion. Third, by shipping the least desirable of cereal grains, barley and corn, food aid will be received by those who desperately need it. Those who already have enough to eat, the party elite and military, want only rice. This serves as a self-selecting filter for food aid. Finally, a sufficient number of United Nations food monitors are in place in North Korea to ensure that food ends up where it should. This is a condition that the United Nations, humanitarian groups, and North Korean officials have agreed upon.

4. Will food aid ensure peace on the Korean peninsula?

Wherever famines occur, they have profoundly destabilizing political consequences. This is particularly true in unstable regions like the Korean peninsula.

For example, there are reports of widespread population movements in the country, the usual consequence of famine as hungry people migrate in search of food. This hungry population could move toward the South Korean border. How North Korea's or South Korea's military along the border might react in such a situation is unknown.

Providing food aid now might prevent a more ominous tragedy later.

5. Will food aid help keep the current government in power?

Since North Korea has not conformed to international standards of behavior and regularly uses belligerent and threatening rhetoric toward its neighbors, some people advocate using food as a weapon to ensure the collapse of the North Korean government. But it is a dangerous and risky gamble given the unpredictability of the politics of famine. Famines breed chaos, not democracy.

In addition, food aid can be an effective tool for opening up a closed communist country. In Ethiopia and Angola, it set the stage for peace and better relations with the United States.

While these political questions deserve consideration, the debate should not paralyze international efforts to prevent widespread deaths in North Korea. Legitimate concerns about accountability can be designed into famine relief strategies.

Moral and ethical questions also cannot and should not be avoided. For example, is it right to condemn millions of powerless people to physical and mental agony and death by starvation because of their leaders? The answer is clearly no. We must distinguish between North Korea's repressive rulers and its innocent people, most of whom were born under this regime and none of whom have the freedom to choose their leaders.

Complex geopolitical posturing among the powers that be in Washington, Seoul, and Pyongyang have compromised our moral grounding. Americans need to remember that we are a country founded in faith, a faith in our Lord Jesus who said, "If your enemies are hungry, feed them; if they are thirsty, give them something to drink. ... Do not be overcome by evil, but overcome evil with good."

Famines are terrible. I ran a half dozen famine-relief operations around the world during the Bush administration. No American would be asking, "Why should we care?" if he or she had witnessed the horrors of famines and understood the profound instability they unleash. ☹

Andrew Natsios is a World Vision vice president and former director of the U.S. Office of Foreign Disaster Assistance.



THE FRUIT OF WORK

Dignity. This is the fruit of work. It allows people to be what God intends them to be: loved and affirmed. Affirmed in their work and loved by their Creator. Work and supporting wages create the dignity that comes from knowing one is worthy of hire.

Dignity also is the fruit of communicating our hope in Christ. There is dignity in knowing that the God of the universe has fallen head over heels in love with us.

Microenterprise development and Christian witness are the twin pillars of sustainability in World Vision's projects. Both break cycles of poverty. Microenterprise development addresses material poverty. Christian witness reaches into the heart of spiritual poverty, offering hope made tangible in the resurrection, eternally sustainable.

The two concepts—the work of one's hand and the hope in one's heart—are not so dissimilar.

We worship a God who, during his earthly walk, worked with his hands. He may have operated a business. Jesus was attracted to working people, and delighted in spending time with his disciples working their fishing nets. His parables display his understanding of farming and animal husbandry: the parable of the sower (Matthew 13:3-9) and the story of the shepherd and his flock (John 10:1-6). His understanding of business management also is evident in the parable of the talents (Luke 19:11), the parable of the shrewd manager (Luke 16:1-6), and the parable of the workers in the vineyard (Matthew 20:1-15).

The Old and New Testaments repeatedly affirm work's dignity, its sanctity, its inextricable link to the survival and worth of individuals and communities. Work is a vocation designed by God for creating, transforming, and providing for others. Every form of work has potential for dignity.

A Honduran pastor—poor in material resources but rich in sensitivity—in a dusty village south of Tegucigalpa understands the sacredness of work. "Don't give us a fish. Help us catch fish," he told me, communicating development theory at its best. "We don't want giveaways," he said. "Please don't do for us what we can do for ourselves. Don't take away our dignity! Yes, you will feel better, and the lines for assistance will get longer, but there has to be a better way."

There is a better way—one that includes both spiritual and physical development.

The people of Southern Sudan's Yambio County were not born poor. For the most part, war made them poor. A traditional approach to the needs of people who have faced displacement, famine, and a generation of war would be to provide them with food, shelter, medical care, and clothing.

But in giving them the necessities of life, we would be taking from them a necessity of the soul: dignity.

So World Vision's work in Yambio goes beyond the traditional. Farmers are bartering grain grown by their own hands for other needed items. "Bartering encour-

ages people to cultivate, to work," said one farmer. "It teaches interdependence. It keeps people here. It fosters community." Another project teaches women to sew and helps them start businesses. As a result, women have been empowered. They are strong. They are confident and are giving confidence to others.

Children from troubled homes—in the United States and in poor countries—have known little dignity in their lives. A Vietnamese woman has found a way to foster self-respect in the lives of hundreds of children. Her project, just east of Hanoi, is designed to stop the flow of Vietnamese children from the country to the city, a common migration for runaways. Her occupational boarding school teaches the Vietnamese skill of lacquer inlay, and then places the children in apprentice jobs with the makers of furniture and other wooden items.

The program has 130 children, with more than 800 applications for a new class of students. Little wonder. The project has a 100 percent success rate in placing children in meaningful employment. Can Harvard or Yale make the same claim?

Without these skills, these kids would face the same tragic big-city employment options common to street children worldwide.

In poor communities throughout the developing

We worship a God who, during his earthly walk, worked with his hands.



BILL YOUNGBLOOD

world, and even in our own inner cities, the only way to foster interdependence and community is by creating local capital. Without the sustainability it provides, all our other programs—the agriculture, education, and health interventions that are so needed—might be good things only as long as we're around to support them. They might improve the quality of life as long as World Vision works in a community. But not for long.

If our projects are not sustainable, if they don't provide hope, then we have a flawed product. Christian witness and microenterprise development are the twin pillars for providing that sustainability to World Vision's work, and the dignity each person was created by God to attain. ☉


These women (part of the Sonosa Women's Tailoring Group) in war-torn southern Sudan make clothes and earn a living with World Vision donated sewing machines and cloth.



If eyes are a
window to the soul,
this is what a prayer
looks like.



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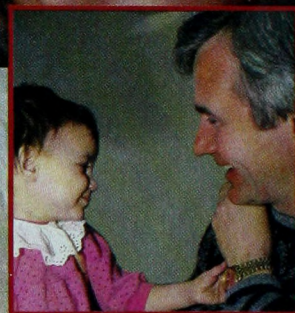
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Gary Dennis,
Pastor, La Cañada
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