

Saving for a Sweet Day in India

As one of India's newest business entrepreneurs, Subbalakshmi has much to smile about. In 2010, she started a women's business group (commonly referred to as a sangham) with some of her friends and neighbours. They began literacy classes and are proud to note that they can now sign their own names on documents instead of using thumbprints. It's a big step forward.

They also began to save together with each member contributing a small amount (about 30 rupees or 75 cents) each month, and they opened up their first savings account. Another big step forward.

Rather than working in other people's fields for low wages, they plan instead on leasing a small plot of land to farm their own rice and sugar cane. They hope to start a small business to make and sell papads (popular rice flatbread) and to even expand the business to make bellam (sugar bars commonly used in cooking curries and sweets).

As well as plans to earn adequate family income, these businesswomen also want to improve their village. Access to clean drinking water is a huge local issue. Although the village has government taps, the water flow is restricted, turned on briefly every two days or so. "We discussed this problem in our group and then wrote a letter to the government water works program officer to try and resolve this issue," explains Subbalakshmi with a big smile.

She is proud of her group and what they have already accomplished and full of hope for her family's future. "My son has the desire to become an engineer and we will try to save the funds for this," she says. "I also want to keep studying (in the literacy program) so I am able to know how my children are doing at school, to help them in their homework and get my own knowledge. I really want to learn and be able to read the Bible."

Subbalakshmi and her group recently received their first small business loan of 12,000 rupees (\$300) from The Sharing Way to encourage them in their savings and get them well on their way to starting their business.

In India, we are seeing the best microcredit taking place among these small sanghams where women are accountable to each other and determine as a group how funds will be used. Their ability to establish a good savings record enables them to successfully apply for larger bank loans and even access government grants and programs. Many of these groups have brought improved public services such as roads, water, electricity, and even schools to their villages. It's a powerfully sweet and successful story of personal dignity, empowerment and unity – good works that bring development and peace to the whole community.



Subbalakshmi



Invest in Someone's Life Today

Your support of The Sharing Way's microcredit projects provides the opportunity for people to care for their families and lift themselves out of poverty.

Pray! Remember the world's poor in your prayers. Poverty, disease, conflict, exploitation – these are issues that affect millions in our world every day.

Learn! Visit us at www.cbmin.org for supplementary resources such as biblical reflections and preaching points. You can also order resources such as posters, bulletin inserts and offering envelopes to help all the members of your congregation get involved in *Good Works. Small Business. Big Change.*

Share! Tell people within your sphere of influence what you have learned. Encourage your church to raise awareness about this issue.

Give! God instructs us not to be tight-fisted with the poor. Challenge yourself to live open-handedly so that all people in our world can live with dignity and hope.



In Africa, women account for more than 60% of the rural labour force and contribute up to 80% of food production, yet receive less than 10% of credit provided to farmers.

Bhulakshmi is HIV positive. After her husband died of AIDS, she had to move back to her parents' house. With the help of The Sharing Way, she started a small fish business and is now hopeful for the future.

The Sharing Way is the relief and development ministry of Canadian Baptist Ministries. In the event of a particular project being oversubscribed, or where local conditions prevent program implementation, The Sharing Way will redirect your donation to another program that helps people in need.



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GOOD WORKS
SMALL BUSINESS. BIG CHANGE.

GOOD WORKS

SMALL BUSINESS. BIG CHANGE.

If you were to start a small business in Canada, it would be relatively easy to visit your local bank and take out a loan. But what if there were no bank for hundreds of miles and you had no car? And even if you finally managed to travel to a bank, the bank manager sent you away because you had no collateral?

Eighty percent of people in the world have no access to credit – mostly people in developing countries who would do almost anything to work their way out of poverty and hunger. They don't want handouts; they simply want to be able to provide for their families. They're hardworking and industrious, and many have entrepreneurial instincts, but there are no jobs available and they don't have the resources to start small businesses.

In most developing countries, between 60% - 80% of a family's income is spent on food compared to 10% - 15% in North America. Considering that most of their money and energy is spent on survival alone, even the things we take for granted – like sending children to school or buying medicine when someone is sick – become impossibilities.

That's where microcredit comes in. Through microcredit programs, The Sharing Way provides small loans to hard-working individuals who want to start small businesses but have no access to traditional banks. Often it takes no more than \$50 to help a person get started in a business that will feed their family and allow their children to go to school.

Through their own ingenuity and drive, and the support of The Sharing Way, poor women and men are able to start their journeys out of poverty and hunger. Unlike commercial loans, no collateral is required for a micro-loan, and it is usually repaid within six months to a year. Those funds are then recycled as other loans, keeping money working and in the hands of borrowers.

In one microcredit program, for example, a woman might borrow \$50 to buy chickens so that she can sell their eggs. As the chickens reproduce, the output increases, her flock increases, and eventually she is able to sell chicks as well as eggs. Gradually, through small payments, she repays the loan, and then the returned money can be used to help another woman in her community start another small business.

Because the program works on a small, local scale, The Sharing Way and its partners are able to provide advice and support to each participant in the program. In Bolivia, for example, each participant receives monthly visits from a social worker who is part of The Sharing Way team. These are not the ordinary meetings you'd expect to have with your loan officer. Instead, along with business advice, families are offered counselling and spiritual support. In addition, program participants support each other with mentorship, advice, and encouragement.

Most microcredit loans are issued to women. Studies have shown that women use the profits from their businesses to feed their children and send them to school, improve the nutrition and living conditions of their families, and expand their businesses. The fruits of their businesses not only make an impact on themselves and their families, but entire communities. When small businesses grow in a community, food security also grows. The more women whose businesses thrive thanks to microcredit loans, the fewer hungry people there are in a community.

Loan repayment rates, averaging between 95% - 98%, are better than that of student loan and credit card debts in North America.

Despite the success of life-transforming microcredit services, the World Bank says that there is still an urgent need for microcredit loans. Five hundred million people living in poverty could benefit from a small business loan and only one-third of the



world's population has access to any kind of bank account. The alternative of borrowing from unregulated money lenders may mean loans with annual interest rates exceeding 150% and violence when repayments are overdue. Join us as we invest in people through small loans. Microcredit is an effective way to end hunger and to provide support for people living in poverty.

The best thing about giving to The Sharing Way's microcredit program is that your money keeps on working long after you make the donation. Once the first borrower has used the funds and repaid them, the next borrower has access to them, and so on and so on. Along the way, those community members support and encourage each other and the goodwill grows – along with the community's assets, food and income. It may be the most efficient and well-used donation you'll ever make!

Through small businesses, we can make BIG change.

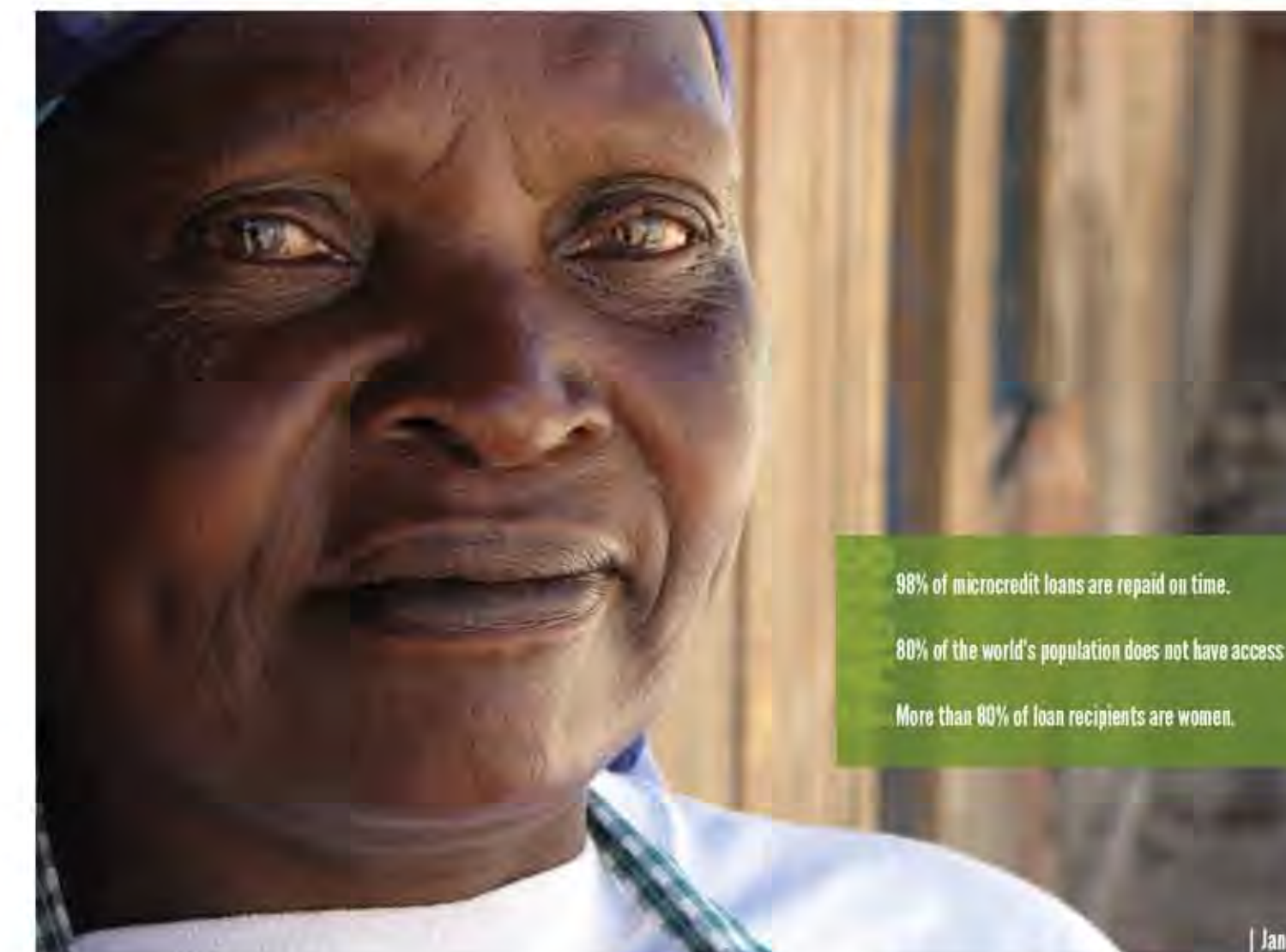
Weaving a New Life in Bolivia

After her husband left her, Isabel and her daughter had to move in with Isabel's parents. She feared she wouldn't be able to earn a sufficient income to support herself and her daughter. Through a loan from a microcredit program run by The Sharing Way in Bolivia, she was able to buy machines for her small sweater-making business.

Her business began to thrive and she and her daughter were able to afford a place of their own. Unfortunately, she got sick, and had to stop making payments on her loan for a while. Once again, she was full of worries, but when she contacted the microcredit staff, they were supportive and gave her additional time to pay off the loan. When she recovered from her illness, she repaid the loan in full. "Frankly, there isn't anywhere else that I've received so much unconditional support," she says. "It's helped me a lot."



Isabel & her daughter, Christina



98% of microcredit loans are repaid on time.

80% of the world's population does not have access to credit.

More than 80% of loan recipients are women.

Jane

Stepping Stones to Success in Kenya

Since her son died several years ago, Jane has raised her two grandchildren alone. She wasn't sure how she'd be able to put the children through school. She joined her local *Guardians of Hope* group (The Sharing Way's program that supports the most vulnerable families impacted by HIV and AIDS). Microcredit is one of the main activities of *Guardians of Hope*, providing crucial loans to orphans and widows.

Four years ago, she received her first loan and put it toward starting a small business selling surplus rocks from the quarry in the market. Her business grew and soon she was able to pay off her loan and take out a second one to further develop her business. Today, Jane's second loan is paid off, her oldest grandchild is in secondary school and her youngest grandchild will enter secondary school next year. She is happy to be able to give her grandchildren a more hopeful future.



INTERESTING FACTS

Less than 2% of poor people have access to financial services from sources other than money lenders.

Existing microfinance institutions reach only 4% of the potential market.

In Bolivia, microcredit recipients doubled their income in two years and were more likely to have access to healthcare and send their children to school.

Children of microcredit recipients are less likely to be child labourers and are more likely to attend school, have improved nutrition, and receive medical care.

Women who borrow from microfinance institutions often enjoy increased self-confidence and take a more active role in the community.

Modern microcredit had its beginnings in Bangladesh, in 1976, when a young economics professor, Mohammad Yunus, lent \$27 to a group of poor craftsmen.

The Sharing Way food security projects provide loans to farmers for seeds, tools, and agricultural support. The Sharing Way's *Guardians of Hope* program provides loans to women and men who are living with AIDS so that they can start small businesses in their communities. The *Children of Hope* program in Rwanda gives training and loans to adolescents from child-headed households so that they can start small businesses to support their siblings.

The Sharing Way has trained development staff members on microcredit finance projects.