

William McGurn

# Missionary Capitalism

*By stressing values and opening up credit to the Third World's poor, Opportunity Programs is breaking the World Bank's international aid monopoly.*

It's early morning here along the southern coast of Thailand, and I am taking in the charms of the Dusit Resort and Polo Club. Late last evening my wife and I arrived at the check-in desk to champagne cocktails, and this morning breakfasted on a feast of tropical fruit and local delicacies in the aptly named Palm Room. Naturally we are here for a conference on poverty.

Poverty conferences, of course, have been a staple of Asia's 5-star hotels, dating back to the October 1975 annual meeting of the International Monetary Fund/World Bank, where host Imelda Marcos thoughtfully provided a raft of new luxury accommodations as well as a white fence around Manila's slums so that delegates would not have to lay eyes on a poor person during their stay. It is all part of a grand tradition that continues to this day, as I found in May when I was unable to reserve a table at the Manila Hotel's romantic Champagne Room because the Asian Development Bank had booked every one.

But now it's eight o'clock on my first morning at the Dusit, and already it's pretty clear that this is not your standard poverty confab. I might have expected something dif-



ferent, when instead of the usual chocolate on my pillow I found a note informing me that "tomorrow's devotional" would be based on a reading from Isaiah 58 ("And if thou draw out thy soul to the hungry, and satisfy the afflicted soul; then shall thy light rise in obscurity, and thy darkness be as the noon day"). For this is a meeting of the Chicago-based Opportunity International and the Sydney-based Maranatha Trust, twin umbrella organizations that under the name Opportunity Programs con-

stitute the only global effort aimed at bringing capitalism to the world's poor. For once, the American taxpayer is not footing the bill.

And that is how I have found myself up for an 8 a.m. Bible reading. Again there will be surprises. For the reading is followed in short order by a highly entertaining talk by Tony Campolo, an Italian Baptist preacher from South Philadelphia who is something of a cross between Billy Graham and Don Rickles. Tony inclines to the more leftward end of the spectrum here—he has somehow got it into his head that Reagan shared with Marx a faith in heavy industry—but he's better than Jay Leno and has no hang-ups about wealth per se. Certainly he is far from Mencken's Puritanism ("the haunting fear that someone, somewhere, may be happy"). If Christianity is true, Tony insists,

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Christians should be fun-loving. As he puts it, "I keep running into Christians who stand and tell me they're full of joy. I feel like telling them: 'Please inform your face.'"

But I know I'm hooked when Eddie Cross begins to speak. A small businessman from Zimbabwe, Eddie devotes his talk to a withering account of Africa's problems. The black market (or "informal sector") is the only thing keeping Africa afloat, he says, reeling off horror story after horror story of government malfeasance. But what really endears me to Eddie is what comes next. Bless his libertarian heart, this is no pitch for more money or better management. "Oh, for that glorious day when we can say, 'Keep your damn American dollars,'" he tells the audience, his voice filling the hotel ballroom. "We'd rather have our dignity and our micro-enterprise."

**M**icroenterprise. This is the cornerstone of the Opportunity approach, and with it they are shaking up the whole development racket. In most ways it is just what it sounds like: development from the bottom up, through small businesses that make America's mom-and-pop shops look like U.S. Steel. The poor, the idea goes, are just as entrepreneurial as the rich. "I challenge any technocrat to approximate the patience, determination, and

creativity of the poor," says Benjamin Montemayor, executive director of Bridge to Progress, one of eleven Opportunity partners in the Philippines. "Rag-making, umbrella repair, food vending: you name it and in the Philippines you will find the poor using every bit of space, every centavo, every piece of junk to generate income."

What the poor do not have, the Opportunity people say, is credit. Typically, Third World countries have banking systems that soak up savings from the countryside for use in the cities. And because it costs as much to administer a \$100 loan as a \$10,000 loan, the banks just don't do it. In this situation loan sharks provide the only access to credit among the poor, with predictable consequences.

Opportunity is not the first organization to extend credit to the poor. But it is among the few to insist that the poor are just as capable of paying back loans as the rich, and at market rates. In the U.S. this view received some attention when Bill Clinton met with Muhammad Yunus of Bangladesh in Washington and declared him worthy of a Nobel Prize. A professor at Chittagong University in Bangladesh in the 1970s who personally lent \$30 to some entrepreneurs in a nearby slum as part of an experiment, Yunus found that they all paid back. He lent out more money, and as the amounts got bigger and bigger it led him to found the Grameen Bank, none of whose loans (apart from housing) exceeds \$75.

At the center of the Opportunity story is a transplanted

New Zealand orphan named David Bussau, who as a small businessman himself has prospered in everything from construction to fish-and-chip shops. A rugged Mel Gibsonish type with thick, graying hair, Bussau by 1975 had found that the challenge had gone out of making money and was looking for something more. Volunteer work through his church—he had brought relief to northern Australia after a cyclone nearly wiped out the town of Darwin—led to his founding of the Maranatha Trust (the word comes from Paul's first letter to the Corinthians and means "until He comes again"). When an earthquake hit Bali the following year, the Bussau family again packed their bags and moved to Indonesia. There they came head-to-head with the problem with traditional aid: once you had patched up people's homes and got them back on their feet, they soon fell into debt again with little chance for upward mobility. It was then that Bussau decided to lend these people the small amounts of start-up capital they needed to launch themselves into business.

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Opportunity International, an American organization, was engaged in similar projects around the world, though it too had not yet hit on the right formula. The two groups came together in Indonesia when an Opportunity project ran into some trouble. Opportunity had started out with the same

self-help agenda, but its prescription—joint ventures between partners in the developed and undeveloped world—had proved unwieldy. The two decided to pool their resources, and today their Opportunity Programs alliance spans forty-five countries worldwide.

"Microenterprise is a hotbed now in the aid community," Bussau says, not without a dollop of irony. "But that isn't what they were saying twenty years ago when we launched it. Back then we were 'capitalists,' 'right-wingers,' 'exploiters'—you name it, we were the enemy."

**T**he approach is simple. When Opportunity moves into a target area, the first thing it does is set up a local organization with a board, almost like a bank. It provides the board with start-up capital and administrative funds and some help in training. But all the decisions about how much to lend, whom to lend to, and under what conditions are left to the local boards. These loans have been as small as \$25, but most are in the \$300 to \$500 range. All the initiative is left to the poor themselves. They must come up with their own ventures, though the partner group will help them hone their business plans and offer related financial advice.

In this business the key ingredient is not collateral but character. Because loans are not extended by distant bank executives or aid workers but members of the local community, those doing the lending usually know the recipient per-

sonally (or at least know of him). Thus they are well aware of any reputation he might have. Peer pressure is likewise intense. Recipients know that if they default, not only will they get no more money but there will be none for their neighbors either. Their neighbors know it, too.

"How do we decide if you will get a loan?" says Aftab Suri, a retired Pakistani army major who now runs the Al-falah Development Institute, Opportunity's partner group in Lahore. "First I look at your face. I try to see if it is an honest face.

"Then you fill out an application. Then we send two people out to see you in your home, to see what kind of man you are, to hear what the people around you think of you. Only then do we assess your project."

No one would claim that the jobs thus produced are glamorous. Most are backroom enterprises where state-of-the-art means cinder-block walls and a corrugated tin roof. Take Minda Lumio of Valenzuela, the Philippines. Married with six children (outside Muslim countries, women account for half of all Opportunity loans), Minda was looking for a way to supplement her husband's meager wages as a factory hand. In 1988 she learned about the Opportunity partner group KMBI. She applied for and received a \$185 loan to upgrade a roadside *sari-sari* (variety) store beside their rented house. Two later loans (total \$370) led to further expansion. Her fourth loan, for \$481, was used to buy a pig for a swine-raising venture, conducted from the side of the house. With her profits Minda not only bought the home she was living in but enlarged it to launch yet another venture: letting rooms. Today Minda is a respected business leader in her own right and is called upon to help advise on other applicants.

"The person is everything," says Benji Montemayor. "If he has the right values—discipline, hard work, entrepreneurial drive—a bad project will succeed. If he doesn't have the values, even the best project will flop."

As its members would be the first to tell you, Opportunity's success is much more than having come up with a better mousetrap. Always they come back to values, and they do this first by being clear about themselves. Not for these folks dreary presentations on the causes of poverty, or technical mumbo jumbo about the lack of fresh water, roads, infrastructure, or any of the 101 other things typically held responsible for the lack of development. "If you wait for those things," says Bussau, "you'll wallow in poverty forever."

Instead, Opportunity starts from God. Theirs is the God of Genesis, Who created man in His image, made the heavens and the earth—and pronounced it *good*. Accordingly the conference here functions more as retreat than seminar, and

the emphasis on a faith-rooted development gives participants the confidence and fortitude to take on problems that have thus far stymied everyone else. Without doubt the Dusit sometimes resembles a revivalist tent: we ended the week looking very much like a soft-drink commercial as all 200 or so of us joined hands, formed a giant circle, and delivered ourselves of a rousing rendition of the folk hymn "Here I Am, Lord." Rather than dismiss them as Holy Rollers, it would be more accurate to say that they are just people who take the Bible seriously. When the rest of us hear the Sermon on the Mount or the admonition to "go forth ye and teach all nations," we think it comforting hyperbole. These people pack their bags.

Yet they are not proselytizers. They are quite firm about this. On the other hand, neither are they indifferent about their faith. They put me in mind of a recent dinner I had with a Catholic priest I know in Hong Kong, a man who has devoted the better part of thirty years of his life to the city's Chinese poor, running schools, counseling children, and

suchlike. Over a meal whose very simplicity reflected his commitment, he enumerated the impressive services he provided for his charges—while making it clear that he worked hard not to give any of these people the least hint of the driving passion and joy behind his sacrifice.

The Opportunity people would not make that mistake. Although converts are not important and the stress is on service, no one could spend more than five minutes with these people without immediately understanding *why* they serve. "We have come together from twenty-five countries to sing the same song," says Dr. Vinay Samuel, an Indian-born Anglican theologian based in Oxford. "Ours is not the work of heroic individuals; it is the work of servants who wish to glorify their God." Fail to understand this and you understand nothing about them.

Even those who do not share their faith are sometimes impressed. In May 1992, the University of Manchester conducted an audit into Maranatha's numbers. Like others before them, they could not help but comment on its values as well. "Although the network has a common Christian philosophy and motivation, with most (but not all) being committed Christians, no evidence of aggressive or insensitive evangelism was observed or reported during the study. It would seem that the network's mission is one of service through their works and by the example of their lives." I wonder if anyone would ever say the same of the International Monetary Fund?

Whatever it is, it's working. Last year the Opportunity network created 16,132 new jobs and salvaged 17,088 oth-

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ers worldwide on loans totalling \$6.6 million. (In 1993 the World Bank's lending to Asia alone was \$5.57 billion.) The average loan to create a job was only \$412, and the repayment rate was 97 percent. The figures are even more impressive when set in relative terms within given communities. In the Philippines, for example, Opportunity reports one job for every \$1,200 invested—one-eighth the average \$9,600 cost for large firms registered with the Philippines Board of Investment and almost half of the \$2,000 reported by small firms to the country's Department of Labor and Employment.

Perhaps most telling, Opportunity is happy to allow outsiders to come in and verify their numbers (the group has had at least three audits by different outside universities). In sharp contrast, the big multilateral aid groups have been waging a bitter battle to keep their books closed even as they request ever more funding from Uncle Sam—and in the teeth of increasing failure rates found by even their own internal studies. Well, I suppose *someone* has to pay for the nineteen World Bank vice-presidents who bring down a tax-free \$165,000 a year.

Although most of the Opportunity folks gathered here do not pay much attention to the development establishment, the differences are worth noting. Apart from the money (a standard World Bank project might cost more than Opportunity's entire annual budget), Opportunity works from the ground up, while the banks begin with government and hope benefits trickle down. Even where these multilateral aid groups lend to private business, money is still channelled through the host government. "They are at the other end of the spectrum," says Maranatha Program Director Leigh Coleman of these multilateral lending agencies. "They don't even know how to talk to us."

But the critical difference has to do with how they see

themselves. The banks define themselves by policy and projects; Opportunity, by people and values. "The multilaterals are too technical," says one Indian who asks not to be named. "They look at a man and ask, 'What kind of a degree has he got?' We look at the same fellow and ask, 'What kind of man is he?'"

**D**id I mention the most distinctive feature of these people? They are cheerful. As an alumnus of all too many development conferences, I have too often noticed the despair just below the champagne fizz. Even those who start out with enthusiasm by and large succumb to deep disillusionment, forced to explain past failures and argue that development is just around the corner, only a billion more dollars or a billion more condoms away. But for Christians despair remains the one unforgivable sin. Many of the Opportunity people here believe that if the Asian Development Bank and others channelled the money through private groups like Opportunity, they could solve most of the problems. I'm not so sure. As they are quick to point out when it comes to their recipients, too much money can be more of a problem than too little, and the same probably holds for the best of institutions as well.

Still, it is this quiet assurance that allows the Opportunity people to see in estimates of a billion poor remaining in the world a gauntlet thrown down and not an excuse to throw up their hands in despair. Not that there is any self-delusion. Eddie Cross puts it best. In the last formal session of the conference, he acknowledges the obstacles but nonetheless ends on a note of confidence. "We are indeed small in numbers," he says, "but maybe that is what Christianity is all about. For this is the mustard seed, and the word for the world is—just watch us grow."

Amen. □

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Edward Norden

# Allah in L.A.

*Will the freedom America extends to its third-largest faith teach Islam's adherents to cherish democracy?*

The interrupting child zooms into the principal's office wearing her Friday best and stands there momentarily catching her breath. "Mohammed," she now announces, "is making fun of me!"

This news fails to shock. "You tell Mohammed not to do that," Sister Shahida says. "Tell him I said it isn't right."

Friday is the biggest day of the week at the Islamic Center of Southern California in Los Angeles. This is when Sister Shahida's happy, nicely behaved kids come in from all over the megalopolis with uniforms pressed and hair squeaky-clean. Shahida Alikhan is a patient, relaxed type of woman, pudgy, with a soft voice and a cast in her eye. The jeweled button in one of her nostrils, not to mention her sari, tips you off that she probably comes from the Indian subcontinent, and in fact the principal of the center's five-days-a-week school comes from the town of Hyderabad, where an archipelago of Moslems in a sea of Hindus try to get through the day.

Apparently the idea of the New Horizon School is simple. It's to instill in these American kids enough Islamic knowledge and habits that by the time they are through the sixth grade and have to transfer to public schools, Madonna won't distract them. The sixth grade, for the moment, is as far as New Horizon goes—62 kindergartners and first-graders here

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on South Vermont Avenue deep in Latino and Korean territory, 35 older kids in a building in Pasadena. Some of their parents are American blacks. Most, however—including all the fathers in intermarriages with American-born women—have moved to this country from *Dar al-Islam*, the sprawling, not-easily-defined House of Islam, and now live all over the medley of towns, the world-in-a-city which is Greater L.A. This creates serious logistical problems. It necessitates, Sister Shahida explains as she glances into a classroom where boys and

girls together are being fed before the prayers and Dr. Hathout's sermon, that parents and children in outlying towns leave home early, practically at dawn, to connect to the bus shuttling between the center and Pasadena. "That must be hard," her visitor says. To which the principal says no, devout Moslems get up before dawn anyway to say the first prayer of the day. The implication being that it takes a devout Moslem householder and taxpayer in America to find the money to enroll his kid at New Horizon. Tuition is \$320 monthly, says Sister Shahida in her lovely accent, and there aren't many scholarships.

Yes, she says, there are dozens of Moslem day schools like this one from coast to coast. Her visitor knows that most experts believe Islam to be this country's fastest-growing religion. Black Americans are steadily converting to Islam—regular Islam, not the Nation of Islam.