
Empower

Enterprise is essential to developing and sustaining local solutions to the challenges of poverty and exclusion

Why we Empower through Enterprise

For the first time the percentage of people living under the UN extreme poverty line (US \$1.90 a day) has fallen below 10%. However, according to World Bank statistics there are still 702 million people or 9.6% of the world's population living in extreme poverty. For those people, there are few jobs and few resources to help them move from a state of vulnerability to being secure in food, health and income – essentials for us all. A growing world population, food price volatility, climate change, unequal power dynamics, as well as trade disadvantages, are putting pressure on the poorest to put food on their tables and limiting their choice of livelihood.

Not having a regular income or little means of creating one can drive people to desperate measures making them vulnerable to exploitation. This can lead to them borrowing from loan sharks and not being able to pay the debt back, or even getting trapped into bonded labour. In bonded labour¹, the value of the person's work becomes greater than the original sum of money borrowed. Employers heap bogus or over-inflated debt on top of the original debt and add crippling interest so the debt is never paid back. But fair, positive borrowing, can empower the poor.

A key way for the world's poor to escape poverty is to earn more for their labour. But there are few opportunities for the poorest to do this. The majority of people in low-income countries earn their living through self-employment, but to start a business they usually require access to a modest amount of capital. Tearfund believes that the best way forward is through working with communities to remove these barriers to feeding their families and to increase their economic opportunities.

In the most vulnerable countries, the poorest households spend upwards of 50% of their income on food.

¹ Bonded labour is a form of slavery, where the person is tricked or trapped into working for very little or no pay



A Biblical Perspective

The Bible has much to say about economic fairness, debt and giving generously so others can take more power over their own lives. The “Year of Jubilee” was mandated as a time of “freedom and celebration when everyone will receive back their original property” and anyone who had, through unfortunate circumstances, been forced to become a bonded labourer to another “will return home to their family”². The effect of this is precisely to stop inter-generational bonded labour and disadvantage. No economic system should justify people inheriting desperately poor circumstances as an accident of birth.

When Jesus gives his ‘mission statement’ in Luke 4, he claims that bringing about this ‘Year of Jubilee’³ is one of the key reasons he has come. In Proverbs we read: “Whoever is kind to the poor lends to the Lord.”⁴ And in Corinthians: “At the present time your plenty will supply what they need, so that in turn their plenty will supply what you need. The goal is equality.”⁵ These verses speak loudly of God’s desire that we redress the inequality between those who have plenty and those who are in need.

² Lev 25: 10-11.

³ Luke 4: 16-19 See also Is 61:1-2

⁴ Proverbs 19:17

⁵ 2 Corinthians 8:14

Our Approach

Tearfund is addressing poverty and exclusion through empowering locals in sustainable and community-led initiatives. These projects strengthen food and income security and promote local and wider economic development.

With this in mind, Tearfund is involved in the following with our partners:

Enterprise through agriculture

With Tearfund and appropriate external expertise, our partners analyse the 'value chains' of existing or potential produce and organise farmers to enhance their food production – both for themselves and for cash crop markets. Through diverse production, working cooperatively and adding value to what they produce, smallholder farmers are able to access markets directly and exert more power on prices paid by buyers.

Enterprise through collective action

Traditional 'Microenterprise' (providing small loans and training) worked best for those who had the means to pay back a loan. It was less successful in reaching the poorest. In response, Tearfund has moved beyond this model into newly proven approaches such as Self Help Groups that truly help the poorest people.

We carefully choose local partners and resource them to economically empower families. By providing communities with the resources and education to become self-supporting, they find local solutions to the root causes of poverty, leaving the community with a sense of pride and achievement as they work their way out of poverty.

Self Help Groups gather people into savings and loans groups where they collectively save a tiny amount – starting at 7c per week! While what they have is small, within six months this has built a fund from which members can borrow to start an enterprise which can earn a sustainable living. In powerful ways, Self Help Group members organise to make positive change in the community. The groups provide a platform where health and rights messages can be disseminated throughout the community. The groups elect two representatives to a 'Cluster Level Group' for work on social problems in their communities and to lobby governments for better services.

In low-income countries, agricultural growth is three times more effective in reducing extreme poverty compared with growth in other sectors.

OECD

Your Response

You can help us work directly in vulnerable communities and there are other ways you can effect change from New Zealand.

Give

You can support Tearfund's Enterprise work by giving to our Empower Cause – helping the poorest create sustainable income.

Learn

Take the time to learn about the upsides and downsides of our current economic system. Tearfund's *Living Lent* and *The Good Lives Project* resources both discuss this area.

Advocate

Lobby the New Zealand government to increase the aid budget for the world's poorest countries. Lobby in support of making trade rules and tariff agreements work in favour of small-scale farmers in low-income countries, rather than against them.

Pray

Pray for the members of Tearfund's Self Help Groups – that they will feel empowered and that they will be able to grow their savings. Pray for Tearfund's partners working in this area.

Live

We too can live by some of the principles that our partner communities live by. Buy local & organic. Also, change your buying habits toward ethical consumption and buy Fair Trade. See Tearfund's *L is for Lifestyle* resource.

Looking back, my heart is filled with gratitude that they didn't give up on us. When I joined the Self Help Group, hope began.

Latashe – Self Help Group member, Ethiopia