

## **Oikocredit and fair provision for the needs of all**

*Patrick Hynes*

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‘Distribution was made to each as any had need’ – Acts 4.35. ‘980 million people live on less than 50 pence per day’ – UN.

Do we struggle to express in action the reality we profess in our faith? When faced with the principle of distribution from Acts, and the data published by the United Nations, how can we begin to build a fair world?

One way is to develop the economic prospects of people who are poor. Many people can work their way out of poverty through enterprise. But even small enterprises require capital, both to get started and to run from day to day. With fair finance in short supply, poor people have no choice but to borrow from money lenders and banks at high interest rates, if credit is available at all. Therefore people need access to new sources of capital from those who have money to invest.

### **Wider responsibility**

Having money to invest brings a responsibility to invest wisely: with concern for people, the planet and the financial return. Is there a wider responsibility? That owed to the very opportunity of having money to invest, recognising the disparity in the distribution of capital funds around the world. After all, we know our economic system favours the rich. Money makes money, and people who are poor lack access to that opportunity.

There is a different way. In 1975 the World Council of Churches set up Oikocredit to provide fair finance for disadvantaged people. Based in the Netherlands, Oikocredit has established volunteer support associations across Europe and North America to promote its work and attract investment.

Oikocredit supports a network of country offices, staffed by local people who manage the provision of credit to income-generating projects in developing countries. Oikocredit’s strength lies in its ability to ensure loans are made to those in need, particularly to women and to rural and start-up enterprises. We operate on the basis that people who are poor are reliable business partners who can create income for themselves if given the credit they need. Our work helps bring the world community together - people who need fair finance, with people who are able to provide it.

Challenging the economic system that keeps people poor is a long-term struggle. Only last year could Oikocredit begin to offer shares in pounds sterling directly in the UK. There are now 83 individuals and church-related organisations investing the equivalent of €4.7 million from the UK and Ireland. Worldwide we have 27,000 members investing over €318.8 million in developing countries. Around 50 per cent of the member capital comes from German-speaking countries, so we have much to catch up on in the UK and Ireland.

### **Clear philosophy**

The need is great, and our philosophy is clear. Oikocredit is committed to ensure that incoming investments keep pace with growth in demand for project financing. With such an enormous need for our partnership and financing, we do our utmost to respond, which is why we seek further investment from new countries such as the UK.

Investment in Oikocredit is open to all, small and large investors alike, individuals and organisations. Typically our dividend paid out is a modest 2 per cent, which enables us to extend the outreach of our loans to those in greatest need. Shares are normally redeemable on demand, but we hope that people will consider long-term investment as a powerful force for change. A pound given in aid is vital but has only one chance of giving life and the danger of becoming a way of life in itself. Investment recycles

money in different projects through loans, year after year, and therefore provides the opportunity to make a lasting change.

### **Deeper understanding**

It is difficult to reconcile the two quotes above. Organisations such as Oikocredit offer a practical means of developing a fairer world. But perhaps the two inconvenient truths quoted also demand a deeper understanding of how to live in an unjust world. Saint Benedict may offer such spiritual advice to living in a community with a gap in provision between rich and poor:

‘Those who need more [the rich] should be humble about their weakness and not become self-important in enjoying the indulgence granted them. In that way all the community will be at peace with each other’ – RSB 34.

In the UK Oikocredit has a volunteer association in the South-West, and in the coming years we hope more people will volunteer. If you would like to know more about support associations, we would love to hear from you. Or you may have ideas about how we can promote Oikocredit in the UK.

Information about how to invest in Oikocredit is available from Oikocredit, PO Box 809, Preston PR3 1TU, [www.oikocredit.org/sa/uk](http://www.oikocredit.org/sa/uk), tel. 01995 602806, email [uk.nso@oikocredit.org](mailto:uk.nso@oikocredit.org).

***Patrick Hynes is UK representative of Oikocredit, an ECCR corporate member. Oikocredit is a worldwide ecumenical co-operative which challenges churches and others to share their resources through socially responsible investments.***

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