

Press Release

30 Sep 2009

Microfinance visit to India

As Chair of the All Party Parliamentary group on micro finance I aim to visit different micro finance projects each year. This year I visited India with Five Talents, a Christian organisation which supports microfinance initiatives in a number of countries. I paid for the trip for myself and so this was definitely not a parliamentary jolly, although it was one of the most interesting and informative trips I have ever undertaken.

Micro finance involves the making of very small loans enabling people to set up small businesses. It is regarded as the most important poverty alleviating tool and has already helped at least 100 million of the poorest people in the world; people who survive on one dollar a day or less.

I travelled to Chennai on Saturday and spent Monday and Tuesday visiting villages which are involved with microfinance and which were badly affected by the 2004 tsunami. Five Talents works with a very outward looking Anglican Church in Chennai. Typically women form groups of about 15 members and paid staff work with them to develop business ideas. The first loan is given of about 20 - 30 thousand rupees and the group will decide on 4 women to start their projects. These included buying a goat or a cow for milk, setting up a snack shop, buying rice in bulk, buying palm leaves to make roofing and much more. The products are sold and there is 100% repayment of loans after 10 months. Each woman in the group aims to save each month and gradually the group's activities expand as more loans are received and savings build up. One enterprise even involved hiring out a very smart marquee and lots of equipment for weddings and other celebrations.

So how does this help? Family income is increased and so life is a little better but most important of all, the extra income enables children to stay on at school longer and hence there are long term benefits for future generations. Some of the businesses will really take off and develop into larger scale enterprises and owners will then be able to borrow future capital from existing banks. But for starting up, training and support is needed and so financial help is required. However, microfinance is a way of giving people a hand up and not a hand out. If you want to give a hand up you or your organisation could contribute to Five Talents or other micro finance organisations.



A small shop that has been set up with a microfinance loan



Annette with some of the Women who have benefited from a microfinance loan

For more information on the Five Talents please visit their web site: <http://www.fivetalents.org.uk/>

-Ends-

"Master," he said, "you entrusted me with five talents. See, I have gained five more." (Matt. 25:20)

Notes to Editors:

Five Talents aims to fight poverty in the developing world by creating jobs. This is achieved by providing business training and small loans. The loans start as low as £20 - each one helping an entrepreneur to start or build a small business.

Five Talents UK is a registered charity in England and Wales (No. 1113969) which currently supports 21,353 people through 13 microfinance partners in 10 countries in the developing world as follows:

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|-----------------------|--------------|
| 1. Uganda | 6. Tanzania |
| 2. Kenya (2 partners) | 7. Sudan |
| 3. Dominican Republic | 8. Indonesia |
| 4. Philippines | 9. Peru |
| 5. India (3 partners) | 10. Bolivia |

Five Talents is the microfinance initiative of the worldwide Anglican church, working with local microfinance partners. Microfinance is increasingly acknowledged to be a highly effective contribution to the UN Millennium Development Goals for poverty reduction. Microfinance develops local economies and encourages independence rather than dependency on grants.

Since 1999 Five Talents has raised over £1.5 million to fund micro-credit programmes and to provide training in business skills, including basic book-keeping, planning, appraisal, marketing and stewardship. Established businesses include farming, dress-making, retailing, hair-dressing and brick-making.

Women form 60% of loan group members. Payment rates by project are in the range of 85-100%. Each loan can impact as many as 10 people once family members and employees are taken into account.

Five Talents aims to reach 70,000 entrepreneurs with savings and loan programmes in 14 countries in the developing world by the end of 2012.

Five Talents was founded at the Lambeth Conference of Anglican church leaders in 1998, created as a long term response to help the poor in developing countries based on need not creed. Five Talents works with the local church in communities to gather, train and financially equip entrepreneurs.

Five Talents was established in the USA in 1999 and in the UK in 2005. The name is taken from the parable of the talents (Matthew 25:14-30) in which the “good and faithful servant” takes the Master’s five talents and through effort and initiative gains five more.

Five Talents’ International Patron is the Archbishop of Canterbury. Five Talents’ partners provide services to local communities irrespective of religion or tribe, based on need not creed.

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