Micro-Loans

A Socially Responsible Corporate Investment

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Abstract

This thesis seeks to examine the socially responsible actions of corporations across America in the funding of micro-financing endeavors both of foreign and domestic intent as a means to alleviate poverty. Micro-loans are examined in light of the history of corporate social responsibility and the magnitude of impoverishment across the globe. The overarching purpose of this paper stands to prove that funding micro-loans is a sufficient means of acting socially responsible for corporations nationwide as a sustainable solution to poverty.

Keywords: Corporate social responsibility, CSR, micro-loans, poverty

Micro-Loans: A Socially Responsible Corporate Investment

Throughout history, men and women have impacted the world in great and marvelous ways through identifying key issues and establishing a means to correct them. Dating to ancient times there has been emphasis on assisting the poor, as seen through biblical passages such as Proverbs 19:17 and Luke 12:33. Poverty is a dominating global issue as a lack of financial resources has prohibited people around the world from obtaining adequate basic needs, healthcare, and educational opportunities (World Food Programme, 2016). Research has shown that every day, over 21,000 people die from hunger or hunger-related causes because they did not have the financial means to provide food for themselves (Poverty, 2016). Through corporate social responsibility (CSR) practices such as micro-loans, the mere dream of correcting this key global issue becomes a reality by bringing the financial resources necessary to willing and able entrepreneurs in every corner of the world in order to lift individuals and families out of the poverty cycle through creating a more sustainable tomorrow.

The Poverty Problem

Society today has been plagued with an overwhelming gap between the wealthy and the middle class and again between the middle class and the impoverished. With “ninety-four percent of world income [going] to 40 percent of the people” the remaining 60 percent of the population is left to “live on only 6 percent of the world income” (Yunus, 2008, p. 1). In the recent past of global history, the push for corporate social responsibility and the technological advances in the modern world have allowed us to be more aware of the severity of global issues, such as poverty. Having this knowledge first-hand has led to an acute awareness of the need to change with exceptional focus on the poorest population where “almost a billion people live on less than one dollar a day” (Yunus, 2008, p. 1).

For many people, food and shelter are two basic needs that go unmet day after day causing over half of child deaths around the world (Poverty, 2016). Consequently, education in impoverished communities becomes a luxury, a dream, and even those who are fortunate enough to attend school have to face daily hardships to learn caused by a lack of finances. Not only do financial restrictions prohibit children from attending school at all due to school fees, materials, etc., but also these financial restrictions cause “66 million primary school-age children attend classes hungry,” which has been proven to limit the child’s ability for brain growth and development (World Food Programme, 2016). This causes a horrendous cycle of uneducated, impoverished persons who wish to work for a better life but do not have the means to achieve nor sustain it.

In order to break this poverty cycle, one must understand the underlying causes to the problem. A lack of resources, most frequently financial, prohibits people seeking change from ever being able to move forward towards it. Research shows that “if women farmers had the same access to resources as men, the number of hungry people in the world could be reduced by up to 150 million” (World Food Programme, 2016). Additionally, the United Nations supports the claim that, “there is plenty of food in the world for everyone. The problem is that hungry people are trapped in severe poverty…[lacking] enough money to buy enough food to nourish themselves” (World Food Programme, 2016).

The problem then is clearly the availability of resources to men and women around the world to create change within their cultures to combat the life-threatening circumstances of poverty, not the need for new resources to be generated themselves through technological advances or implementation of drastic policy changes. When looking to create or alter measures to assist the poor, Yunus (2008) writes that "policymakers miss the tremendous potential of the poor, particularly poor women and the children of poor families…They cannot see that the poor people can be actors themselves" (p. 5). When looking for solutions to the poverty problem then, one must consider the poor themselves as fully capable persons in the alleviation of poverty, as simply they are unequipped. However, providing the lacking resources is not enough and must be coupled with education in order to ensure the proper handling and sustainable future of the solution with minimal risk for relapse into the poverty cycle.

Nelson Mandela once said, "Education is the most powerful weapon which you can use to change the world" (as cited in *The Washington Times*, 2013). By bringing the resources in and teaching hard-working men and women how to create sustainable sources of income through small business entrepreneurship, men and women able to put food on the table for their children and to provide adequate healthcare and education as possibilities by which communities are able to triumph. That education in turn goes into bettering the already improved society to flourish even further and to opening bigger doors than anyone ever knew was possible. These new small business ventures, funded by micro-loans from socially responsible partners across the world, serve as the catalyst for change across the nations by improving societies one business at a time.

Numerous charities and subsidies have been given around the world in attempt to fix this problem. Economic reforms, foreign aid, and philanthropic missions have allowed for society to continue, but not to be healed of this detrimental cycle that dictates life for many nations. In many cases, non-profit organizations and NGOs operate off of donation funds (McRay, 2012). When these individuals are no longer able to support the organizations, the funds stop, and the results include that organization not being able to assist the poor any longer. There remains the chance for new individuals or organizations to pick up the slack, but this is far from a guarantee and a highly unstable source of dependency for operations. This problem is exponential, increasing and multiplying at unfathomable rates, even in leading countries like the United States (Yunus, 2008). Yet, there is hope in the sustainability of micro-loans as the beginning of new businesses globally.

Micro-loans

Micro-financing endeavors have successfully been implanted around the world by organizations such as Opportunity Fund, Kiva, and World Vision. Micro-finance is "a tool for poverty alleviation and improving socio-economic conditions of the poor…[by] providing productive credit to those with little or no previous access to formal credit facilities" (Rao, 2010, p. 180). Micro-financing serves as an all-encompassing term for micro-loans or micro-credit, micro-insurance, and micro-savings. The purpose of this thesis will focus on micro-loans. Many individuals who receive these micro-loans have little to no possessions that would satisfy a typical bank's requirements and/or would be charged hefty interest rates due to a minimal credit history (Yunus, 2008).

Micro-loans provide "small short-term loans for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment" (NFIB, 2009). The purpose of lending micro-loans is to alleviate poverty by creating a higher standard of living under the premise that no one should be excluded from a chance at bettering their life, especially due to a lack of capital seed.

Micro-loans like those of Kiva or Videre specialize in creating favorable credit terms for unfavorable clients, which is the key to reaching the impoverished. Muhammad Yunus, founder of micro-credits and Nobel Peace Prize winner in 2006 for his philanthropic work with micro-loans, believed that if you “lend the poor money in amounts which suit them” and “teach them a few basic financial principles” then they are typically able to manage on their own and come out of poverty effectively (Nobel Prize, 2014).

Backing up, Yunus received his doctorate in economics from Vanderbilt University. After returning to his home country of Bangladesh, the famine of 1974 sparked something within Yunus to make a $27 loan “to a group of 42 families as start-up money so that they could make items for sale, without the burdens of high interest under predatory lending” (History, n.d). This loan was the first micro-loan recorded and the beginning of the Garmeen Bank, literally meaning the “Bank of the Villages”, which has since loaned over $7.6 billion to the poor to start, or further existing, small businesses (History, n.d.).

FINCA, a global micro-finance network based out of the United States, serves nearly 2 million clients in 23 countries with a loan portfolio of $894 million (FINCA, 2016). Although numerous organizations like FINCA have successfully administered thousands of loans around the world since 1974 when Muhammad Yunus began to serve the women of Bangladesh, Videre operates on a comprehensible level as a micro-loan distributor.

Case Study: Videre

Videre, a Christian micro-loan distributer from Dallas, Texas, serves to educate, finance, and mentor entrepreneurs native to Ghana and Senegal. Founded by Benjamin Chatraw, owner of North Avenue Investments and a Harvard Business School alumnus, the non-profit began its service in the South Sudan (Chatraw, 2016). Due to complications regarding the religious tension between native Islam and Western Christianity, Videre wisely decided to withdraw operations in a peaceful regard. Videre then began to serve in Ghana, and today has expanded operations into Senegal as well (Chatraw, 2015).

Videre screens potential business investments through the educational preparation of the potential new business owners. In three phases, Videre educates, analyzes, and decides which proposals from the native people of the community will be accepted and granted the money necessary to launch operations. The training given to the entrepreneurs comes in the teaching of basic business principles, how to formulate an accurate and complete business model, and ethical expectations based on the Word of God (Chatraw 2015). Videre chooses a team of volunteer business professionals from around the developed world after a thorough application process to lead each phase of training based on qualifications and experience. The team of businessmen and women fly to location and lead a weeklong seminar on applicable business material to further the knowledge of the entrepreneurs in efforts to set them up for the greatest success possible (Bradberry, 2015).

In Phase I of training, entrepreneurs begin by learning basic biblical principles to solidify the ethical expectations of all new businesses before anything else begins.

Additionally, Phase I serves to teach the entrepreneurship class basic marketing and accounting principles, as well as provide a mock trial of how to develop and present a business proposal to the team of investors. In the mock trial, students must complete a market research project that they present and defend to the volunteer professionals in order to qualify for graduation from Phase I and admittance into Phase II (Bradberry, 2015).

In Phase II, the biblical and business principles that were taught in Phase I are expanded upon in order to better equip the students for the launch of their ventures. Students in Phase II are placed in a one-on-one mentorship program with a business professional to help coach them in the creation of a detailed business plan with a strong Kingdom impact strategy that the entrepreneur will be able to launch as a personal endeavor in order to generate an income that can not only improve his or her life, but also the lives of generations to come in both monetary and spiritual ways (Chatraw, 2015). Kingdom impact is strongly valued by Videre as a Christian-based organization, yet many organizations operate from other faith bases or independently from faith entirely. At the end of the second phase, the committee will review each student or team's business plan proposed in order to determine if the business is sustainable enough for funding. If the committee deems a business plan eligible for funding, the entrepreneur(s) will be given the necessary capital to begin his or her business and move into Phase III (Bradberry, 2015).

Phase III serves as a time for the new business owners to begin their venture with the assistance from a Western business mentor who can continue to guide and teach business methodologies in order to launch well (Chatraw, 2015). The income generated from the business launches is under no direct control of Videre, as each business is owned and operated by the entrepreneur (Chatraw, 2015). However, the loan is subject to repayment terms that must be followed through on, otherwise collateral collecting takes place just as a Western loan entails. The purpose of the Western business mentor program that the students began in Phase II throughout this phase of launching the business is to assist in the avoidance of a failure to repay the loan based on the continued support through business decisions as operations are executed and growth takes place (Chatraw, 2015). After successful completion of this phase, the mentor program slows down steadily and the program graduates continue to operate and expand their personal ventures for as long as the Lord wills.

Despite the structure, success, and generated livelihood improvement of micro-loan distributers such as Videre, the capital seed given to the global entrepreneurs must originate somewhere. In the case of Videre, the non-profit organization is run in junction with an investment company that funds the loans with an allotted percentage of pre-tax profit as the investment company's socially responsible contribution (Chatraw, 2015). However, numerous organizations such as Kiva depend on outside donations and investments from individuals and corporations through avenues such as corporate social responsibility in order to better the lives of entrepreneurs around the world.

Corporate Social Responsibility

The idea of corporate social responsibility (CSR) has come a long way over the past several decades as business scholars and political leaders work diligently to create a precise definition that encompasses the entirety of the notion (Carroll, 2011). This idea of corporate social responsibility has then been used to motivate corporations, such as Nike, to make substantial changes to its activities in order to put the well-being of workers at the forefront of their operations. Furthermore, “CSR is rooted in the recognition that businesses are an integral part of society that as such they have the potential to make a positive contribution to social goals and aspirations” (Jones & Comfort, 2006, p. 424). CSR suggests that companies must go beyond their operations and give back to the immediate community and the world, which can be done successfully and meaningfully through the funding of micro-loan entrepreneurs around the world to create social and economic change (Carroll, 2011). CSR has come a long way in the past 60 years in order to be at this current point of global application.

The Definition

Corporate social responsibility began to make its way into the American business world as early as the 1950s. Throughout the following decades, CSR evolved in definition, scope, and application across the modern world. It is possible that this socially responsible mindset began prior to the 1950s in other areas of the world, however little documentation has been discovered to prove the implementation of such practices as a previously meditated process (Carroll, 2011). Nonetheless, scholars and business professionals alike have discussed corporate social responsibility for nearly seven decades now and throughout that time it has evolved drastically, required corporations to fulfill a set standard of responsibility to giving, and served to stimulate corporate involvement in the community (Steuer, 2010). Using components of these scholars, this thesis provides the working definition for CSR as the ability of an organization at all levels to act as a just citizen throughout the company’s operations and to extend their presence beyond the direct economic and legal obligations into the broader community and world with social improvement, yet without jeopardizing the stakeholder's value and while recognizing that direct costs and returns for such endeavors may or may not always be possible.

In the mid-1900s, numerous scholarly publications contained definitions for CSR as the discussion infiltrated academic settings around the nation with the same premise of establishing a greater purpose for the American corporations in their social awareness and impact. Bowen (1953) offered the first working definition of CSR as referring "to the obligations of the businessman to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (p. 6). This definition in fact encompasses the underlying truth of corporate social responsibility from the very beginning of scholarly writings. By addressing the point that the responsibility of a corporation is beyond merely the financial obligations to turn a profit and also goes into the impact on the surrounding lives that are affected by every decision made in the big cities' corner offices.

As it is difficult to completely disassociate one's purpose with action, it is even more difficult to judge the motivation behind the actions of companies claiming social responsibility. This caused Davis (1960) to further refine the definition of CSR in suggesting that corporate social responsibility is the idea that a businessman's decisions and actions should be made "for reasons at least partially beyond the firm's direct economic or technical interest" (as cited in Carroll, 2011, p. 271). This definition falls in line with Bowen's from 1953 but condenses it bluntly to display the forefront notion of taking into consideration external factors when creating structure or making decisions within the organization.

In the same era as Davis, Frederick (1960) wrote that corporate social responsibility should impact the company's operations by having the processes within the company being "employed in such a way that production and distribution should enhance total socio-economic welfare" (p. 60). So, not only did Frederick recognize the responsibility of corporations to contribute to society's well-being, but he also tied the two operations together to suggest that the operations of the organizations themselves should contribute to society versus an additional action set forth by management that is independent of primary operating activities.

McGuire (1963) later commented on this idea by saying that "business must act 'justly' as a proper citizen should" (p. 144). McGuire wrote of the specifics for what this might mean for companies, as they are responsible for more than just the "economic and legal obligation but also responsibilities to society which extend beyond these obligations" (as cited in Carroll, 2011, p. 271). As corporate America moved into the 1970's and beyond, this idea played a vital role in the decision-making of how each organization would not only use their power to effect the economy within the legal realm and confines, but also how their power dictates much of the everyday life of average Americans.

In 1970, the quest to define and integrate the corporate social responsibility frame of mind into the advancing corporations of America went a step further into cost and measurability. Beginning with Clarence C. Walton and transitioning to work by Morrell Heald, it was brought to light that "costs are involved for which it may not be possible to gauge any direct measureable economic returns" (as cited in Carroll, 2011, p. 273). This part of CSR can be imaginably frustrating and confusing for many prominent businessmen seeking to establish this recent phenomenon of social giving. Much of a company’s success is based on the analysis of measurable utilization and effectiveness per division or sector. This premise that a large portion of a corporation’s obligation lies in an immeasurable arena is a delicate topic, which must be approached with wisdom and long-term understanding.

Johnson (1971) identifies this need for wisdom to balance both the corporation and the social impact by saying that “a socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation” (p. 50). This idea of CSR has put a large weight of responsibility and, at the same time, uncertainty for corporate management to balance as each organization seeks to impact their communities without neglecting the stockholders of their company. It was at about this time that Yunus gave the first micro-loan of $27 to the group of basket weavers in Bangladesh to expand their small business (History, n.d.).

It is clear then that throughout the recent decades, valuable pieces of corporate social responsibility theory were articulated by some of the greatest business minds around the nation. The need for businesses to think beyond their direct operations and expand into the social world has evolved and developed, yet the underlying principles remain consistent over time: CSR is far more than the bare minimum in such a way that a companies’ actions are able to heighten the quality of living for men and women around the world. A company funding micro-loans therefore satisfies the definition of CSR given in this thesis by working beyond a company’s operations without sacrificing the value of the company to it's stakeholders and, at the same time, adding value to the lives of men and women who are most likely are not in direct correlation to the company's operations or industry. These micro-loans serve as a viable option for corporations seeking socially responsible outlet of operation.

The Pyramid

Several years later, Carroll (1991) took the differentiating definitions in circulation at the time and proposed the notion of a CSR pyramid by which the fundamental characteristics support each other (p. 39). The pyramid is comprised of four levels that are the categories of responsibilities any corporate organization has: economic, legal, ethical, and philanthropic (p. 42). The pyramid as a whole represents how each area must work together with the other components to continue to support the company's operations and vision, yet is each independent at the same time.

The base of the pyramid represents the economic responsibilities that a company has had to make a profit and benefit the shareholders since the beginning of business (Carroll, 1991). Carroll uses this as the base of the pyramid due to the dependency that all operations have on the company's ability to fund them (Carroll, 1991). In terms of micro-loans, the economic responsibility for a distribution organization to be able to fund and manage a loan is crucial, as well as the entrepreneur's ability to create value in order to become profitable and sustainable. Otherwise, the alleviation of poverty through business is no longer a reality if a dependent source of income is not created.

The second level of the pyramid is the company's obligations to legal responsibility. Every company has a legal obligation to behave in a manner that has been deemed acceptable by society and the judicial system. Historically, the legal responsibilities of a corporation have always coexisted with economic responsibilities as part of a “social contract” by which “firms are expected to pursue their economic missions within the framework of the law” (Carroll, 1991, p. 41). This level may sometimes come in tension with the economic base of the pyramid, but it is important for the management of any company to balance the lawful requirements with the economic gains (Carroll, 1991). Legally, micro-loans can be difficult to maneuver, as international regulations such as interest rate caps must be taken into consideration in addition to the laws of the international country by which one is operating alongside or within. Furthermore, the law outlines what start up necessities qualify for micro-loans, such as inventory, supplies, machinery, etc., and those lending are punishable if funds are given for other purposes not deemed as qualified by the foreign government (SBA.gov, 2016).

On the third level of the pyramid there are ethical responsibilities. Ethical responsibilities go beyond the legal responsibilities as an “obligation to do what is right, just, and fair” (Carroll, 1991, p. 42). The law does not dictate the ethical responsibilities but ethics coincide with law as an extension and a means by which members of society are expected to act (Carroll, 1991). Lewison (1991) argues in length over the ethics of micro-loans as typically the lender and recipient come from different moral cultures, which can create an unfavorable circumstance in some situations (p. 22). Furthermore, he examines the ethical nature of interest rates throughout the developing world in light of their religious majorities. For example, micro-loans to the Middle East face tension over interest rates as “Orthodox branches of both Judaism and Islam have maintained bans on usury [interest rates] throughout the centuries and up to the present time” (Lewison, 1991, p. 22). A company or non-profit therefore must place great emphasis on their due diligence in which countries to operate micro-loans within, such as Videre had to decide to pull out of the South Sudan when religious tensions grew too strong for there to be a true benefit to society.

Finally on the fourth level of the pyramid, Carroll places philanthropic responsibilities. This is the company’s obligation to go beyond what lawfully turns a profit and to behave in a good and just manner in order to participate in the social improvement of communities (Carroll, 1991). At the most fundamental level, this is what separates a socially responsible corporation from everyone else due to the voluntary nature of social care when extending assistance to areas of need with little to no direct return to the company itself. Salamon (2014) explains micro-loans as venture philanthropy, similarly to grants, by which the capital is used as equity or for growth in improving society (p. 94).

The Government

Corporate social responsibility is founded on a voluntary basis that a corporation might involve better management techniques on a daily basis in order to impact society and the environment. However, the distinction between this triple bottom line principle and public policy has begun to blur over the years as political science and hidden agendas make their way into the decision-making process (Steuer, 2010). It is no secret that each man or woman who runs for a public office seat carries with a set of personal values and ideas. This worldview impacts his or her work throughout our legislative system, which in turn influences our society as a whole. As corporate social responsibility continues to foster itself in the hearts and minds of great leaders across corporate America, political figures have also become increasingly involved in this notion for a variety of reasons.

Some of these reasons include the voluntary basis for helping to meet policy objectives, the typical softness of CSR regulations gives way to hard-laws and their political resistance, and the ability to gain footing into the realm of defining CSR to create an alignment with the political shifts (Steuer, 2010).

Public policy is often viewed in a negative light as government parties impose restrictions and requirements upon organizations, especially in the laissez-faire society, upon which America is founded. Government authorities, however, recognize the power that corporate social responsibility has in going beyond what the laws of corporate accountability require and therefore have sought to integrate CSR into emerging public policy (Steuer, 2010). In turn, businesses follow suit with said proposals willingly for the betterment of their shareholders, where corporate accountability is defined as "compliance with the mandatory legal standards" (Steuer, 2010). This utilization of the voluntary CSR motivation is crucial to the impact that public policy makers can achieve in the modern world, given that society has such a high focus on social and environmental concerns, if they are able to align their platforms with the concerns of CSR-minded businesses. This also allows for policies and regulations to appear softer in nature than typically projected.

As the majority of corporations seek to establish a positive repertoire in the global view of shareholders and consumers, it is crucial to display acts and strategies that are socially and environmentally minded. The government is supposed to be "a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth" (Lincoln, 1863). When both businesses and the government are for the people, theoretically, the intentions and desire for well-being are mutual. Therefore, there shouldn’t be a great need for government force to make businesses act socially or environmentally responsible. Due to the momentum and CSR implementation over the last several decades, any government action to ensure the social responsibility of corporations has been mild and taken well by all parties.

For example, “the emerging system of voluntary self-regulation has led to genuine improvements in the environmental performance of oil companies” (Frynas, 2012). The focus of oil companies to initiate their own environmental protection measures has caused a decrease in the number of legislative policies imposed on the companies. The policies that are in place, including the repercussions of accidental spills, in turn seem softer which gives good face to government agencies that are frequently seen as too involved or as limiting to corporate success.

This soft-face, network-like approach also allows for the hard-character policies to be accepted with less resistance when necessary to be enforced. Such as, the consequential fines and responsibilities after the BP oil spill in 2010. This highly collaborative effort of public policy and corporate social responsibility is largely due to the strong political desire to be actively involved in defining and implementing CSR nationwide.

In the recent years, globalization has caused for a shift from political powers being the “only authorities that could legislate” to new economic relationships and organizations having a say in the operations of civil society (Albareda, 2008, p. 349). CSR has opened doorways into collaborative efforts “between corporations, government and civil society…creating innovative mechanisms for governance” (Albareda, 2008, p. 349). Political leaders have recognized the power that corporate social responsibility holds and seek to maintain this collaborative effort if not expand it further. By becoming a part of the defining initiative, political leaders are able to have a say in the thought process and implementation from within corporate social responsibility instead of waiting on the outside to then compromise and/or work together.

This political-CSR cooperative has been seen primarily in Europe as governments seek to combat social issues such as unemployment from within the business sector in the form “of partnership projects, with governments, companies and civil society organizations working together” versus government demands (Albareda, 2008, p. 349). Albareda also comments that the challenge for governments “is to find a way to design and implement public policy that will generate leadership and partnership-based innovation, seeking to maximize the benefits of these innovations by ensuring their systematic acceptance and application among the wider business community” (Albareda, 2008, p. 349). This is good news for the micro-loan movement, as the objective is solely on improving the quality of life for people around the world and takes a burden of social assistance off of governments.

In order for the change the government seeks to be sustainable, it must occur within the business and not from outside of it, which is why public policy makers in the United States are focusing large amounts of effort to be included in the dialogue regarding corporate social responsibility. Businesses must be mindful of the potential changes to public policy and CSR regulations as time goes on and new faces enter the political realm and build into their practices flexible methods in order to adapt smoothly should change occur.

The Big Picture Solution

As previously defined by scholars such as Bowen, Davis, Heald, and Johnson, corporate social responsibility not only involves the ethical practices of a company's direct operations, but also includes paying it forward to the greater society as a whole. The impact that funding a micro-loan can have on the world is far beyond the operations of any one company, or even that of an industry, which therefore allows for a company financing a micro-loan to satisfy the CSR definition as the ability of an organization at all levels to act as a just citizen throughout the company's operations and to extend their presence beyond the direct economic and legal obligations into the broader community and world with social improvement, yet without jeopardizing the stakeholder's value and while recognizing that direct costs and returns for such endeavors may or may not be possible.

The socio-economic benefit to funding micro-loans is on the rise as more organizations become capable of funding a greater number of micro-loans at any given time. The social focus on bettering the lives of those around the world that seek a helping hand in the beginning of a transformation of a lifetime, allows for micro-financing to be an ideal outlet for corporate social responsibility practices and as a solution to poverty. Not only do the loans impact the entrepreneur and his or her family, but also create a platform for economic growth and community enhancement. By funding a micro-loan, the investor has the ability to change the lives of numerous individuals around the world time and time again as the majority of organizations, for example Kiva, turn the repayment capital around into the seed necessary for the next entrepreneur (KIVA, 2016) which creates a cycle of socio-economic impact based off of one small financial donation.

Micro-financing doesn’t only impact the one entrepreneur who receives the loan. Part of the beauty in creating a sustainable solution to this epidemic of poverty due to a lack of resources, is that the gift can keep giving. When one entrepreneur, or group of entrepreneurs as often the recipients are, receives a micro-loan and is able to turn that dream into a reality of generating a stable income, onlookers are able to witness the change possible in their own lives. In the end, multiple people within the same community may also choose to apply and receive a micro-loan as the next step in overcoming his or her own challenges.

Collectively, the micro-loans serve as a catalyst for communities to build off each other in defeating poverty around the world. These families are able to afford education, proper healthcare, and pass on the business through generations. Micro-loans do not serve a Band-Aid to a problem, but as a viable solution for change and a stepping-stone for future improvements.

This change can be seen in that the businesses started by such loans are capable of growth and expansion just as any other business. As these businesses grow and reach new markets, there may become a need for other employees. This allows for one loan to impact the entrepreneur’s life, his or her family, the community, as well as any additional employees taken on in the years of growth who do not have the skills or desire to run his or her own business, yet will be able to work for a better tomorrow. As each loan given creates jobs, it creates change and a better life for men and women around the world. The social responsibility of the organization that funded the loan is therefore impacting far more than just one individual, but causing a ripple effect of bettering the world for a more sustainable future.

This method of social impact not only comes with a measureable return for corporations, through quantitative perimeters such as number of loans funded and repaid, but with the added goodwill value to shareholders. The socially responsible corporations who fund such micro-loans will be able to witness firsthand the dramatic change that can occur in an entire community and be able to translate that knowledge into an asset for their company, with potential to benefit directly from the products or services the new business provides and to utilize those connections as a competitive advantage. The time is now, for corporations to take a serious look at the maturing micro-finance process as their contribution to society and for added value to their triple bottom line.

Conclusion

Poverty has been a dominating issue facing the global population for thousands of years due to the lack of adequate financial resources. Luckily, this issue has a sustainable solution. Micro-loans have the ability to bring the financial means necessary to impoverished communities in order to alleviate hunger, provide healthcare, and expand educational opportunities by creating sustainable businesses that provide a source of dependent income for generations to come.

Since the 1950s, documented definitions and theories regarding corporate social responsibility have dominated the American business world and has led us to CSR as the ability of an organization at all levels to act as a just citizen throughout the company’s operations and to extend their presence beyond the direct economic and legal obligations into the broader community and world with social improvement, yet without jeopardizing the stakeholder's value and while recognizing that direct costs and returns for such endeavors may or may not always be possible. Although still in refinement regarding the implications and applications for corporations worldwide, corporate social responsibility has come a long way and helped shape the actions and operations of top-companies for decades past and will continue to do so for decades to come as business men and women look to better their operations and become involved in the betterment of society as a whole.

At all levels, the government seeks to make its way into the conversation in order to capitalize upon voluntary actions by corporations that align with their public policy outlook. Political leaders optimize the impact of CSR on corporate regulations in order to create a soft face for themselves and to lessen the resistance and resentment when the government must enforce policies or punishments. Additionally, political leaders seek to establish themselves within the inner circle of CSR conversations in order to shift the discussion in the same ways that the government is shifting to avoid potential conflict down the road.

A viable option for this pay it forward mentality is the micro-financing model that is being adapted by organizations worldwide, just like Videre. The socio-economic impact that micro-loans have on impoverished communities is overwhelming as the return multiples itself due to the sustainable and cyclical nature of the micro-financing model. Not only that, but corporations who chose to fund micro-loans are participating in a global socially and environmentally responsible manner that can be measured and turned into value for shareholders.

Biblical Integration

The premise of corporate social responsibility goes much deeper than frequently thought to be, as the responsibility must come from an ultimate source of right and wrong. Judging the actions of an organization for operating in such a way that is ethical implies a common basis for the ethical values in place. In order for consumers to punish an organization, they too must unconscientiously hold to this belief system of right and wrong. The Bible is the ultimate determiner of right and wrong, ethical or unethical, responsible or irresponsible. For those who believe this serves as a common sense topic, and for those who don't, no apology is offered. However, if the Bible doesn't serve as the standard for these things, what does? What allows for an organization, a government, a group of consumers to demand responsible action if there is no standard of responsibility?

From the dawn of time, God put man on Earth to take care of the environment. Genesis 1:26 reads,

> Then God said, "Let us make man in our image, after our likeness.
> And let them have dominion over the fish of the sea and over the birds
> of the heavens and over the livestock and over all the earth and over
> every creeping thing that creeps on the earth." (ESV)

Humans have been placed on this earth as exceptional creatures to care for the creation of the world. When a corporation implements policies and executes operations that are harmful to the earth, it is not fulfilling its God-given responsibility since the first breath of mankind.

Philippians 2:4 says, "do not merely look out for your own personal interests, but also for the interests of others" (ESV). It is not enough for a corporation to act for the sole purpose of profitable gain. The triple bottom line seen throughout the definitions of corporate social responsibility by scholars over the past sixty years encompasses the biblical truth that our actions must seek to care for those around us as well as take care of our personal needs. Being in tune with the needs of society and the powerful role that businesses play in the daily lives of common citizens, will allow a company to see beyond themselves and their operations, which will not only benefit the company and the community but will ultimately glorify God to see his creation caring for one another. This service to the people is also seen to be exponential in its effect across societies as the businesses founded through micro-loans continue to grow and impact their surrounding communities.

Finally, forget not that the punishment by consumers and/or the government for social irresponsibility is nothing in comparison to the judgment of not following the Lord's commands. Ezekiel 24:14 teaches,

> "I, the Lord, have spoken; it is coming and I will act I will not relent, and I will not pity and I will not be sorry; according to your ways and according to your deeds I will judge you," declares the Lord God. (ESV)

Therefore, may corporations around the world be known for the good fruit by which they produce through responsible actions, such as those of micro-financing, that are capable of fulfilling the God-given commandments found in the Bible while creating sustainable solutions for exponential change throughout the impoverished world, one loan at a time.

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