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## MICROCREDIT MEANS MACRO OPPORTUNITY

In 1976, Bangladeshi economics professor Muhammad Yunus loaned \$26 to a group of 42 workers. With their 62 cents apiece, the workers purchased materials for a day's work making clay pots and weaving chairs. At the end of their first day as independent owners, they sold their merchandise and within days repaid the loan. Thus began the microcredit movement.

The Grameen Bank originated in Bangladesh to extend small loans to very poor people to start microbusinesses. (Grameen means "village" in Bengali.) By 2002, Grameen Bank had 2.4 million borrowers, 95 percent of them women. The bank had loaned more than \$3.7 billion in amounts averaging less than \$200.

Grameen Foundation USA, headquartered in Washington, D.C., was established in 1997 to provide financial and technical assistance and technological support to grassroots institutions that are replicating Grameen Bank's success in countries from Tanzania and India to Mexico and the Philippines. As of April 2003, there were 114 such programs in 34 countries. These programs have served more than a million clients worldwide and disbursed more than \$472 million in loans.

Microcredit, or microfinance, is an antipoverty strategy that provides the very poor with tiny loans—often under \$100—to allow them to earn income by establishing or expanding microbusinesses such as cosmetology, janitorial services, child care, tailoring and hundreds of other ventures. The goal is economic self-sufficiency for those who might not otherwise attain it.

