

**PHOTOCOPY  
PRESERVATION**

5/10/97 Microcent Summit,  
Barbados

ATT8.WPD

Page 1

5/9/97

**FIRST LADY HILLARY RODHAM CLINTON  
REMARKS -- MICROENTERPRISE SUMMIT  
BRIDGETOWN, BARBADOS  
MAY 10, 1997**

[as delivered]

Thank you very much. Thank you, Sir Neville, for your informative description of what is happening here in the Caribbean. I want to thank the Central Bank for welcoming us on their 25th anniversary which is a very special occasion. I am particularly pleased there are so many representatives of National Development Foundations; USAID and Peace Corps members who are here.

One group of people who have not been introduced but have been mentioned in the remarks of our four presenters about microenterprise are the microentrepreneurs themselves. The people whose products are on display, who have gotten the loans, who have worked hard to increase their income and standard of living and make a contribution to their economy. So if I may, I would like to ask all of the microentrepreneurs who are here to please stand so that we may recognize you, all whose name who have mentioned and those of you who have not been mentioned, from all over the Caribbean if you would. Please stand.

(Applause)

We are here to recognize you and to congratulate you for your work and hope that there are many more who will be in this position in the years to come. Thank you very much.

I also want to thank Mrs. Arthur who is here with me (please be seated) and for her warm welcome along with the government and people of Barbados, to my husband and to me and to our traveling party. It's a rare and wonderful occasion to be here on behalf of our country at this summit that the President of the United States is having with the leaders of the Caribbean. It's hard to match having such a beautiful day and talking about microenterprise. That's a good combination.

And it's an important discussion, as all of the speakers before me have already said, because for those of us who are fortunate enough to visit these beautiful islands we may not know how difficult life is for many who live and work on these islands, and who are attempting to make the transition into the global economy.

We believe that microenterprise and the promotion of small businesses and the creation of markets is a very important way for the people of the nations gathered here for this Summit to be able to make their way in the global economy because we are undergoing a very rapid and profound economic transformation. And despite the best efforts of many of the leaders, both in the public and private sectors, in my country and in the nations of the Caribbean, there are many, many people who are being left behind. And the challenge to bring everyone into this new global economy and alleviate poverty is one that all of us must work on addressing together.

Certainly we in the United States have a stake in the success of the Caribbean. Millions of Americans trace their heritage to these islands. We are united not only by a common body of water, but also by a history of democratic and economic partnership. So we want to be involved in assisting our neighbors in the Caribbean in meeting the challenges of the 21st century.

My husband's visit here is an expression of that commitment. So too, is the Partnership for Prosperity and Security in the Caribbean he announced earlier today. As part of that initiative, the United States will commit

ATT8.WPD

Page 2

\$2 million to help those Eastern Caribbean countries that are having the hardest time weathering the economic transformation sweeping the globe, particularly the Windward islands of Dominica, St. Vincent, St. Lucia, and Grenada. The American investment that the President has announced will support Caribbean-based initiatives that are already in place and that are making a difference -- efforts to expand and diversify trade, strengthen social services, promote education -- and, foster microenterprise.

Under the President's plan, the United States Agency for International Development will award a grant of \$500,000 for microenterprise assistance. These funds will go to each country's National Development Foundation. The foundations, in turn, will make loans to deserving entrepreneurs. We know that loans as small as \$100 can make all the difference in the world for someone who has never gotten credit before, who cannot even walk into a bank and ask for it because they do not have any traditional collateral. I hope that the Caribbean Development Bank, Sir Neville, with its wealth of expertise in this area, will help USAID coordinate this overall effort.

The funding the President announced today builds on the work that USAID has been doing to promote microenterprise in the region for the last 20 years. I am pleased that Mark Schneider could be with us today because USAID has been one of the earliest, strongest and largest supporters of microenterprise in the hemisphere. By working in partnership with the CDB and the various foundations, we hope to build on that proven strategy. We are not reinventing the wheel -- we are just trying to make it turn a lot faster.

There are few investments better than microenterprise. For as we heard today from the four speakers, we know that it can literally transform lives. Take someone in a bar that's been closed down although I must say that I'm not familiar with why all the bars closed in St. Lucia, might be an interesting subject for study, but to take someone who is out of work and selling on a street corner and enable that person to increase her income and add to the stability and security of her family's life. By empowering people at the grassroots to have a stake in the economies of their countries, we're also deepening their commitment to democracy. By providing credit to the poor, we are allowing ever-more men and women to lift themselves out of poverty and enter the economic mainstream.

I have seen microcredit in action now on every continent, save Australia. But in Asia, and in Africa, Latin America, the Caribbean, and my own country. I have seen the results of what a little bit of credit, a lot of faith, technical assistance, training and education can do when people have the motivation and the willingness to work hard but are often faced by too many obstacles to translate that ambition into reality.

It is certainly true here that men and women have benefited from microenterprise and that is particularly important because we cannot permit women in any region of the world to be left out on the outskirts of opportunity. They have to become full participants in the economic, social and political lives of their countries. That is good for them, it is good for their families and it is good for their societies.

Where we invest in education and ensure that education is freely available to young boys and girls; where we provide decent health care to both men and women; where we offer credit through microenterprise to poor men and women, we see how communities are strengthened and how economic opportunities increase.

Microenterprise provides the power to liberate the underlying human capacity. And perhaps that's why the idea travels so well. I first heard of microcredit in 1986 when my husband was the governor of the state of Arkansas, one of the poorer states in the United States. We kept hearing how commercial banks were no longer making small loans. So that the small restaurant, the seamstress, the auto-repair mechanic, were no longer able to go to their neighborhood bank and borrow the three-hundred, five-hundred, one-thousand dollars that they needed for

ATT8.WPD

Page 3

their own credit purposes.

And as more and more banks in our own country and our own state began being purchased by larger regional, national and even international banks, they were not interested in the working poor, in the poor of our own communities. So my husband reached out to an experience he had heard about all the way across the world in Bangladesh, the Grameen Bank, started by a gentleman named Mohammed Yunus, who came to Arkansas to visit with us to help us understand how we could take the lessons of the Grameen Bank to the communities in Arkansas where there were poor people willing to work but could not attain the credit that they needed.

And that was only the beginning for me. Since then I have seen in Bangladesh, in India, in Uganda, in Bolivia, in Nicaragua, and in the United States and many places in-between how a modest investment in microcredit can yield enormous returns.

Just the other day in Costa Rica, I came to a conference similar to this, where people who did not already know about microcredit gathered with those of you who are experts to exchange lessons about what could work better in Central America. I met with people who told me their stories much as the stories of the people who stood up here would be. And I was particularly impressed as person after person described how, not only the money made a difference, but the faith and trust in their ability that the money represented, made a very big difference in how they saw themselves and their own futures. They achieved not only increased self esteem with the businesses they started with these small loans, but also they also felt more involved in the life of their societies.

One young woman told how she had started as a mango seller on the streets in Guatemala and how after year after year she wasn't going anywhere she heard about this microenterprise. She got a loan. Pretty soon she had a market stall. Then she expanded it. Then she began to go out and get more sources. Then she began to create products that she could sell, and pretty soon she was employing fifteen people. From someone who started on the streets at the age of twelve to someone who now had not just a microenterprise but a small business. To someone who had dropped out of school what little she had had before the age of twelve who was now sending her children to college.

Those stories are not only inspirational but they demonstrate that if we provide disciplined credit that comes with the assistance that people need we can make a difference in their lives and in our economies. I know that what you are doing here is making that kind of difference. Now, microenterprise does not mean that you don't follow the laws of finance and economics. It does not mean that you give money out and hope that it turns out well or that it is charity. That's a very important distinction between what we're talking about and other forms of assistance that are worthy and necessary in certain cases but as one of the speakers said what microenterprise is interested in doing is not just handing out fish but teaching people to fish.

And what we believe works is credit that is available, yes, at slightly lower than market rates but which expects a return and a payment of the loan and most microcredit enterprises pay back their loans. The loan default rate is less than ten percent in the Caribbean and it is less than three percent in many parts of the world. That is a rate of return that most commercial banks do not command. And one of my hopes is that more commercial banks will understand the benefits of investing in these small microenterprises in their communities and countries because there are a lot of people in our world who have good ideas which never get past the front door of their local banks.

And if we can only convince financial institutions today to make these investments it will be good for them and it will be good for their economies. Many private banks say, "But it is so expensive to service these small loans." Yes, it is more expensive. And yes, many of the microentrepreneurs need assistance in very basic economic information about how to handle their money, how to do their business.

ATT8.WPD

Page 4

But I know many commercial banks that lend millions of dollars to people who default, who don't have the intelligence or the business sense to make a return, and I wish more private banks [applause] would take a risk on people that they would see every day as they pass taking their children to school they would know whether their loan recipient was at her job on the street corner because they would see it. It wouldn't be money that went into some enterprise they have no idea what is doing and whether or not they will be paid back because it's all on paper, it is not real, they can't look in the face of the person. They can't see the product as it impacts on the lives of the people around them.

I want to applaud the cutting edge efforts of the Bank of Novia Scotia and Guyana and the Workers Bank of Jamaica which is now using its post office banking network to provide microcredit loans, and to urge more commercial and private banks to follow suit.

This is not just about income and building assets, as important as that is, it is also about building democracy and civil society and giving poor people a stake in themselves, their families, their communities, their countries and our world. So I believe this is one of the most important efforts sweeping the world right now. Because if we stop looking at poor people as a drain and a burden. If we don't think of them just in terms of charity, but understand that many of us in this room had parents, grandparents, and great-grandparents who started off as microentrepreneurs, even though that's not what they ever would have been called. We didn't have a fancy name, they just worked hard and somebody gave them some credit, and in those days, in my country, banks used to loan small amount to people on a handshake. You could walk in the front door, if they thought you had a good character, you were a good person, they'd give you that \$100 or \$500 to help expand your business. And then they'd see you maybe on the street, or at a social event, or at a church and they would say "How's it coming? How are you doing? Are you going to be able to repay?" And there was a relationship there, and it made for stronger communities and it created a fabric that was very much important in the building of democracy all over this region of the world.

So I hope that we will make it our mission to spread the word about microenterprise to make it clear it is a disciplined economic investment, not charity, to make the success stories better known, to work with the entrepreneurs so that they can be successful, and to understand what a stake we have in the success of men and women like those who stood up. Their success is not just their success. Their success is our success. If we are, as a people, all of us, in the family of nations, to be successful in the 21st century, we can't set up an economic system in which there are only winners and losers. We cannot reward those who already understand what the global economy demands, who know how to manipulate language, who realize the importance of computer technology. We need to make sure that we have even more people invested in their future and ours.

Thank you very much. [applause]