PHOTOCOPY
PRESERVATION

Microenterprise

FIRST LADY HILLARY RODHAM CLINTON
REMARKS AT MICROENTERPRISE MEETING
JULY 24, 1997

I'm absolutely delighted to be here this afternoon. I love any opportunity to come to the Congress and talk about issues of great importance to our nation. And particularly here, during the summer, I know there are many interns, and I first interned on the Hill 29 years ago for the House Republican Conference. (Laughter and applause).

And so I'm delighted to be back here today, to renew a national bi-partisan commitment to the belief that microenterprise is one of the strongest strategies we can afford, to assist people to help themselves. This is truly a national, bi-partisan effort. I want to recognize and thank all the members of Congress who are here, and there are so many of them--Maria mentioned the number by name, but I see others coming in and out, and I want to thank you for your commitment to this.

But I want to say a special word of appreciation to Chairman Gilman, who has been on the forefront of the microenterprise agenda for many years, starting with his work on behalf of hunger, more than 20 years ago. And I'm particularly grateful that with all of his other responsibilities on behalf of the international affairs of the United States, he recognizes the importance of microenterprise as one of America's strongest tools for increasing the development and democratic progress of people around the world. Thank you, Chairman Gilman. (Applause).

And I want to thank Congressman Gejdenson for his work on this issue, and for personalizing it so effectively here this afternoon. Because it's important, as we meet to renew this microenterprise initiative, that we understand we're talking about the lives of men and women, and boys and girls, throughout the world and here in our own country. Lives that have been literally transformed because, as the Congressman said, somebody had enough faith and trust to make a small loan, to extend credit, to be there with technical assistance to encourage that vegetable vendor, or that farmer, or that seamstress. Or, in the case of my visit to Adams Morgan, that small business owner with the tiny storefront that had been started up with faith and a little bit of credit.

By advancing these initiatives, we are making a big difference in the lives of people, in terms of the income of their families, and through the increased financial resources of their families, the ripple-effects into their villages and communities, which in turn add to the stability of their societies, and enable their democracies and free markets to function at a higher level. All of which is good news for them, and good news for the United States.

In 1994, USAID established its microenterprise initiative, and it put microenterprise front and center in the agency's overall efforts to help people in developing countries lift themselves up out of poverty. As Brian Atwood has pointed out, the United States is now *the* leader throughout the world in sparking microenterprise.

And it's very important to stress the point that microenterprise is not charity. It is not a hand-out. It operates according to the rules of the marketplace. Loans are extended. They may be extended to people who do not have what you or I or a traditional banker would think of as collateral, but they have a lot of "sweat equity"- they have a lot of dreams, and they're willing to work hard. And they're expected to pay back their loans, and they do, in very, very large percentages. I have said on many different occasions, there are a lot of commercial banks in our country and around the world who would be happy to have the retainment rates that are the usual return of microenterprise institutions.

But one cannot really understand the impact of microenterprise unless you have the privilege as I have, to sit in a village in Bangladesh, or in an urban barrio in Nicaragua, and see the faces of the women and men who are involved in these enterprises. And I hope that all of you who are here today will have a chance to personalize what we're talking about - to understand what it means for a person who's worked hard all her or his life to suddenly get that chance that credit provides.

Recently in Costa Rica I met a woman from Guatemala who had started selling mangoes on the street at the age of 12. She'd never gotten any formal education to speak of. But because she was willing to work hard, and she sold those mangoes, she came to the attention of someone who believed in her--through the microenterprise institution--who made a small loan. And eventually, she was selling other vegetables, she was employing people, she started to have vegetable stands around the city, and she told me with great pride that she now has a son studying at the University of North Carolina.

I also remember a woman in Chile who'd been a seamstress in her own home, and had very primitive equipment. Through a microenterprise loan, she was able to get a new modern sewing machine. And she said she couldn't stop kissing it. (Laughter.) She felt like a caged bird set free.

Now I know, because I've hung around the Congress for a little while, that all these bells and noises that we're hearing mean there's something going on, Mr. Chairman. (Laughter.) So I think we ought to--those of us who are not privileged to have to respond to those bells--we ought to call a little recess, and let you all go do what you need to do. Okay.

Because I think that what we have today is an opportunity to expand the story of microenterprise, and thanks to these members of Congress, to begin to institutionalize it, so that the formerly homeless women I met in Capetown who are building their own houses, or the women in India who stood and told me it was not only the income that made a difference in their lives, but the dignity that came from having that income, being able to look into the faces of their children and family members, not being afraid because they knew they were contributing members of their communities.

Let's also not forget that we have microenterprise initiatives here in America that are very important and are making a difference in people's lives. I've seen that also as I've traveled around our own country, here in Washington and Chicago and Denver. And time and again, what

I hear is that because of the increase in centralized banking sources--so many bank mergers, banks getting bigger--they don't have the kind of access to ordinary folks that we used to take for granted in our country. It's hard to get a loan for five hundred, or a thousand, or fifteen-hundred dollars from a commercial bank in the United States.

And as a result, many people with good ideas cannot get the credit they need. A woman in Denver told me that many good ideas die in the parking lots of banks. And that's because people who walk in the door looking for a chance to expand their barbecue place, or maybe come up with a new idea that they think they've got the experience to put into action, don't usually have the resources or the collateral to get the kinds of loans that they need.

So we need to support microenterprise abroad, but we also need to recognize that it works here in the United States. That's why the President has worked hard to expand the promise of microenterprise here at home, reforming the Community Investment Act, creating the Community Development Financial Institutions Fund, inaugurating the Presidential Awards for Excellence in Microenterprise Development. They're all ways of sending a message to hardworking, poor people in America that you also should be rewarded if you are willing to work hard. And that's especially important today as we're transforming our welfare system.

I'm pleased that the emphasis in this latest initiative will have special focus on Africa and on Central and Eastern Europe and the former states of the Soviet Union, because we have to deliver on the promise of democracy and free markets to countries that have looked to the United States for leadership, and are willing now to put our values into practice in their societies.

I am very pleased that we've reached the point where microenterprise is not an esoteric subject that only a few people talk about, but it would fill a large hearing room like this. And I'm especially pleased that with this bi-partisan national commitment, we will continue to build on the best practices of microenterprise, and we will see the results around the world and here at home.

Thank you for your faith in people and your support for microenterprise. (Applause.)

Q: (inaudible)

THE FIRST LADY: Did everybody hear the question? I think, like a lot of people who are involved in microenterprise, I came to my interest in it over a number of years, having worked in many different areas on behalf of poor people and children and looking for ways to try to break the cycle of poverty and give people more of a chance to have some control over their own lives.

And particularly in our state of Arkansas, there were many people who were caught in the changing economic conditions that started in the 70's and 80's and they no longer had jobs on farms, they no longer could do the kind of work--and have it be economically beneficial to them--that their parents and their grandparents did. But they were hardworking people, and they were willing to do whatever they could.

And so my husband and I began to look for other ways of creating jobs in some of the

poorer parts of Arkansas. And we learned about Mohammed Unis' (ph) work in Bangladesh, and some of the other microenterprise work that was being done around the world, and we used the people who knew Dr. Unis and came to Arkansas and met with us, and we started, as I think Chairman Gilman referred to, one of the first microenterprise funds in the United States, called the Good Faith Fund. Because in a sense, that's what we were trying to create. People didn't have a lot of money, they didn't have land they could put up as collateral, but they were going to be given a chance, based on their good faith, to try to create better economic conditions for themselves. And so this Good Faith Fund started out in some very poor parts of Arkansas, and then I became interested in what was going on in other parts of the country and the world.

So it's been an interest of mine for a number of years, growing out of my own work about what it takes to transform people from being dependent, being caught in poverty, feeling that they have no hope, and taking the skills that most people have, even if they're very poor, and investing in those skills and giving them the support to change their own lives. So it's something that I've seen first-hand, and how it can work, and I'm very much in favor of promoting it around the world and even in our own country. (Applause.)