

MICRO CREDIT



Acknowledgments: Mrs. Figueres [Fee-Gay-Raise], President Iglesias [Ee-glai-see-ahs], Mark Schneider, Costa Rica for the remarkable role you have played in bringing peace to Central America and expanding human rights in the region. This remarkable event is made all the more remarkable by its sponsors -- a partnership between the Inter-American Development Bank and USAID.

We gather today because we believe that seemingly small steps can create lasting, positive change in the lives of all people, and especially women. That is, we believe in the power microenterprise.

Few initiatives could be better suited to our time. Or more important.

Think back just a few years. It was not so long ago that this region was torn apart by conflict. The violence extended far beyond any war zone -- it kept children out of school, it forced families from their homes, it took the life out of economies. It seemed the terror would never stop.

But it did. Now Central America is at peace. The accords just signed in Guatemala mark the end of one country's suffering and the beginning of an entire region's stability.

This transformation would never have been possible without the vision of your leaders and your governments. But it also would never have been possible without the simple, courageous acts of individuals -- one day someone decided to put down a gun; another day, two people of opposing views chose to have a conversation in which they actually listened to each other.

Not only have the people of Central America chosen peace over conflict -- they have also chosen democracy over other forms of government. For the first time in 40 years, every country in the region has selected its government in free and fair elections.

It is also appropriate that we gather to discuss microenterprise during the summit of regional leaders -- for these leaders have committed themselves to moving their countries from tightly controlled economies to free and open markets that give full life and scope to human endeavor. Indeed, there is no better expression of their commitment than the joint declaration they signed this morning, which emphasizes the importance of microenterprise in the region.

Central America is undergoing an economic and democratic renewal. But as important as that renewal is the commitment, represented by those of you here -- by citizens, private organizations and governments alike -- to extend its benefits to those whom it has not yet touched.

For microenterprise allows you to build on your progress at all levels. By empowering people at the grassroots, it deepens the commitment of your citizens to democracy. By providing credit to the poor, it allows ever-more men and women to pull themselves out of poverty and to enter the economic mainstream. By offering new opportunities to women, it moves us all closer to making real the dream of equality.

I want to draw special attention to this last idea. Microcredit is available to both men and women. But I think we would all agree that it is of special benefit to women.

Women are the majority in every country represented here today. Yet in my country, in your countries and in countries around the world, too many women still live on the outskirts of opportunity. Not only is that morally wrong -- it is self-defeating. For we are cutting ourselves off from the huge, untapped reservoir of potential that women represent.

A democracy without the full participation of women is a contradiction in terms. Participation goes far beyond being able to walk into a voting booth or even to run for office. Wherever women are undervalued, underpaid, undereducated, under-represented, fed less, fed worse, not heard -- we cannot sustain the democratic values and the way of life we have come to cherish.

Women must have a real place at the table -- and not just when it is time to clear the dishes. Women and girls must have access to what I call the tools of opportunity: education, decent health care, legal protections, and credit -- so they can participate in the economic lives of their countries.

That, as you know, is where microenterprise comes in.

I have had many experts in economics around the world say to me that women's work is not part of the economies of countries.

And yet I have seen with my own eyes, as I have traveled through urban and rural areas alike, something that will surprise none of you: Women are working! Their contributions may not be counted in the gross domestic product of their societies, but they are definitely working. And that work is of value. I have always believed that if women got up tomorrow and announced that they would not work - inside or outside the home -- the economies of every country would collapse.

What's wonderful about microcredit is that it completely shatters this mythology. Microcredit is a stroke of genius precisely because it brings out into the open and builds on skills that are already there, but which for too long have gone unrecognized by governments, banks, and international aid organizations. Anyone who has seen a mother, night after night, stretch leftovers into a meal to feed her children...anyone who has seen a woman piece together a quilt from the remnants of old clothes...knows the talent women have had to have for making the very best choices out of very little material.

In my country, there was a tradition of something called "egg money." Women who lived on farms and were fortunate enough to have chickens would contribute to their families and their economies by selling eggs by the side of the road, or out the back door of their homes. The small amount they brought in every week would accumulate -- and one day that money would pay for a few more chickens, new clothes, maybe even an education.

Whether it is "egg money" or the countless other efforts of women around the world to turn their talents into better lives, there is a wealth of expertise and energy out there -- and microenterprise has the power to liberate it.

Moreover, it is able to do so without huge investments in capital, massive government programs, or expensive technology. In an era of greater competition and scarcer resources, microcredit represents a new understanding of how we can equip people on the margins of society with the tools they need to take control of their lives.

Microenterprise is important for another reason. I think we have all wondered how we can promote development without sacrificing traditional values. Well, microenterprise offers a partial answer, for it is sustained by those very values that have stood us so well for so long: Hard work, ingenuity, sacrifice, a desire for a better life.

Perhaps that is why this idea travels so well. Around the world, we've seen the power of microcredit to transform the lives of individual loan recipients, their families, and their communities. The concept is universal -- even if its applications are different.

For example, my first experience with microcredit came via Mohammed Yunus. In 1986, he came to Little Rock to help my husband and me understand how the lessons of the Grameen Bank in Bangladesh could be applied to development in Arkansas. With his guidance, we started the Good Faith Funds, which is still improving the lives of some of the poorest people in one of the poorest states in my country.

It is for this reason that I am so pleased to take part in this gathering. By bringing together so many experts from Central America, we will be able to learn from each other's challenges and achievements and apply those lessons within our own borders. We will be able to build upon the pledge made by the leaders who took part in the Summit of the Americas in Miami in 1994. To strengthen support for microenterprise as "a key component of sustainable and equitable development." And we will be able to extend the progress we made at the microcredit summit many of you attended in Washington earlier this year.

With that in mind, I would like I would like to share with you some of what I have heard and seen as I have visited microcredit ventures around the world. I would like to talk specifically about initiatives here in the Americas. And I would like to underscore with each the wide spectrum of returns microenterprise can yield.

The breadth of that spectrum was never clearer than this morning, when I had the opportunity to talk with Costa Ricans about their experiences with microenterprise. These people -- mostly women -- had started an astonishing range of businesses. One woman grew corn; another orchids. One opened a laundry, another made clothing for children.

What they did could not have been more different -- what they achieved for themselves and their communities was remarkably similar. They spoke of increased self-esteem -- the businesses they started with small loans taught them to believe in themselves. This confidence, in turn, inspired fuller citizenship and greater involvement in public affairs. These people built assets as well as incomes -- one bought a home, another paid for her child's education. They described how their loans helped to expand the circle of prosperity in their communities -- microbusinesses grew into small businesses, which hired new employees and purchased ever-more raw materials from vendors. And they talked of how microenterprise banks are invaluable not just because they make credit available, but because they train recipients on how to make the best use of that credit.

What I saw in Costa Rica underscored what I have been privileged to see throughout the Americas. I have seen how microenterprise can literally change a person's life. For example, in Santiago, Chile, I went to a community bank that relies on peer networks to promote and sustain small businesses. In a local market, women felt so proud to be involved that they put up matching yellow and blue awnings to show they were part of the organization.

Most memorable to me was a woman -- a seamstress -- who, with a small loan, was able to buy a high-speed sewing machine. That loan enabled her to start a small clothing business and make a living. She told me that the new sewing machine meant so much that she couldn't stop kissing it. She felt, and these are her words, "like a caged bird set free."

I have seen how microenterprise makes economic sense for everyone -- including private banks. In La Paz Bolivia, I had the chance to visit BancoSol, the largest bank in Bolivia and the first commercial bank in the world completely dedicated to microlending. Its success in one of the world's poorest countries speaks volumes about the potential of microcredit. The default rate is about 2.2%. That's a rate any bank in any country would be proud to have.

I have seen how microenterprise can help sustain a culture. Earlier this week in Mexico, I met with women in Merida who, through small loans, were able to start businesses to sell the beautiful arts and crafts they made. In drawing on the great Mayan culture of the Yucatan, not only were they supporting their families, they were also keeping alive their heritage and creating art that people the world over can appreciate.

Finally, I have seen how microenterprise has the power to bring us together and transform lives in developing countries and in advanced economies around the world. In Managua, Nicaragua I went to a gathering of women who are small borrowers at the FINCA bank. I should add that this meeting took place in November of 1995 -- shortly after the United Nations Fourth World Conference on Women, where the platform of action included a commitment to microcredit.

About 30 women described how they had received small loans to start neighborhood bakeries and seamstress shops. One woman was selling mosquito netting and another was selling auto parts door-to-door.

At the end of their presentations, I asked them if they had any questions. One woman stood up and asked me to tell her about women I had met at a microcredit organization in India. She wanted to know what her counterparts a world away were spending money on and what businesses they were starting. At that moment, I knew that microcredit was transforming lives around the globe.

Everything I have seen since has underscored that belief. This year alone, I have visited FINCA outposts in both Kampala, Uganda **and** in Washington, D.C. -- just a couple of miles away from the White House. In Cape Town, South Africa, I met with formerly homeless women who were able to build their first houses because of financing techniques they had borrowed from **yet another** initiative in India.

All in all, microcredit is one of the best investments we can make to lift people out of poverty and to give them hope. I am proud that USAID is one of the largest supporters of microenterprise in the region. In fact, it has invested in virtually every project I mentioned today. And I am pleased that we will build on our commitment -- and respond to the urging of the region's leaders in their joint declaration this morning -- by committing \$40 million in USAID funding for microenterprise in the region this year and \$200 million over the next 5 years.

More importantly, USAID is not alone. It works in partnership with many outstanding NGOs. I want to add, too, how pleased I am that increasing numbers of commercial banks are joining this effort -- committing their resources to sparking microenterprise development.

Democracy depends as much on the internalization of values as it does on institutions like courts and congresses. Microcredit can play a crucial role in that process. If people believe they have a stake in their economies, they are more likely to believe they have a role to play in choosing their leaders. If people are able to improve their lives, then we have a good shot at disrupting the tragic cycle of poverty and violence that is an affront to any civil society. If a young girl can grow up with a mother who is rewarded fairly for her hard work -- well, then that girl has every reason in the world to believe that she will have the opportunity to live up to her God-given promise.

Microcredit isn't going to create another Microsoft -- but it can support democracy. And that sounds pretty good to me.

Tomorrow, I will travel with President Clinton to Barbados. And while I am eager to spend a little time walking on the beach, I am also looking forward to meeting with leaders from the region -- representatives from microcredit organizations, the Caribbean Development Bank, USAID and others -- to talk about ways to expand credit in the Caribbean basin. You can be certain that I will draw on what I have learned here.

As I look out at this room, I am struck by the fact that despite our differences -- differences which are as apparent as the countries we come from and the languages we speak; differences which are as subtle as the way we carry a newborn or greet a friend -- we all want pretty much the same thing. We want to feel safe. We want peace. We want to have the opportunity to make the most of our lives. We want justice, equality, and freedom. And we want this -- and more -- for our children. Microenterprise, in its own quiet, modest way, can help us create that future.

Let's get to work.

U.S. First Lady Hillary Rodham Clinton

(Remarks at the Zambuko Trust--Harare--03/22/97)

I am very happy to be here with all of you and to hear some of the stories of your success. The work that Opportunities International and Zambuko has done is very impressive.

I have met with women all over the world who are doing what you are doing - women who are starting their businesses, women who are helping their husbands, women who are finally able to have their own houses, women who are sending their children to school. And I am very pleased that my country, the United States of America, wants to support the work that Zambuko is doing because we believe in the United States that it is very important that every person, particularly women in Zimbabwe, have a chance to make a good living for themselves and their families.

I am pleased to announce today, that the United States, through the United States Agency for International Development, will provide an additional U.S. \$500,000.00 to the Zambuko Trust. I am delighted that Zambuko has decided to use this grant to expand its lending program. This will result in new loans for approximately 3000 people, mostly women like yourselves. And let me add that we know that public sector government cannot and should not bear the burden alone. Every other sector of society, including businesses and non-governmental organizations, has a role to play. That's why I am very encouraged to learn of Zambuko's efforts to raise financing from the private sector in Zimbabwe, because private sector involvement is crucial to sustaining your work over the long term.

And so it gives me a great deal of pleasure to be here with my daughter and with our Ambassador and others of our party to see for myself how much you have accomplished.

FIRST LADY HILLARY RODHAM CLINTON
REMARKS FOR PRESIDENTIAL AWARDS FOR EXCELLENCE IN
MICROENTERPRISE DEVELOPMENT
THE WHITE HOUSE
JANUARY 30, 1997

I am delighted to welcome all of you to the White House for a wonderful occasion -- the inaugural presentation of the Presidential Awards for Excellence in Microenterprise Development. Each of our awardees represents the promise of microlending and microenterprise in our country.

That promise is vast and unlimited. Around the world, we've seen the power of microcredit to transform the lives of individual loan recipients, their families and their communities. I've seen firsthand how modest loans are enabling men and women to lift their families out of poverty, make their neighborhoods better places to live, and strengthen their country's economies. I have met with women in some of the most remote parts of India, in some of the poorest barrios in South America, in places that have weathered civil wars and earthquakes, and have listened as they told me how their lives had changed from destitution to inspiration because a community bank had given them the opportunity to start small businesses sewing clothes, selling auto parts, baking bread and pastries and weaving mosquito netting.

I wish that all of you could have been with me at a discussion with members of a microlending network in Santiago, Chile. There, I met a seamstress who told me that for years, she could barely make a living and compete with the large clothing factories in the city. "I felt like I had all this potential and all this energy, like I was a bird in a cage," she said. But buying a high-speed sewing machine with a small loan from the village bank made her feel like "a caged bird set free."

Although our problems are far removed from those I have seen in the developing world, I believe that microcredit and microenterprise can help communities thrive in the developed world as well. And as we will see from the stories of today's award recipients, microlending and microenterprise are already playing vital roles in promoting economic self-sufficiency and spurring economic growth here at home.

For too many citizens across our country, people who work hard, but have little or no collateral, securing a loan to start a small business is a distant dream. As one woman at Mi Casa, a microlending project in Denver told me, "Too many great ideas die in the parking lots of banks."

We hope that these awards, which represents one of the commitments our country made at the U.N.'s Fourth World Conference on Women in Beijing, will encourage local governments, businesses, and citizens across our country to support microlending, to work together to extend credit and economic opportunity to all Americans hoping to make the most of their lives, especially those striving to become self-sufficient.

FIRST LADY HILLARY RODHAM CLINTON
OPENING REMARKS FOR MICROCREDIT PRESS BRIEFING
THE WHITE HOUSE
JANUARY 30, 1997

Thank you for joining us today for this briefing about a subject near and dear to my heart. Many of you have accompanied me on trips overseas where I have visited microenterprise projects. You have seen for yourselves the potential of microenterprise to transform the lives of individual women, their families, and their communities. I appreciate your continued interest in this issue.

I'm delighted that two leading experts on microenterprise, Treasury Secretary Bob Rubin and Brian Atwood, director of the U.S. Agency for International Development, are here with me to share their insights about this important tool for economic and social development here at home and around the world.

Over the next week, a number of activities will take place in Washington that showcase microenterprise -- both its successes in developing countries and its applications in advanced economies such as ours.

Today the President will announce the Presidential Awards for Excellence in Microenterprise Development. These awards recognize efforts within the United States to extend credit and economic opportunity to Americans who might otherwise lack the chance to become economically self-sufficient. I should mention that these awards are a direct outgrowth of the United Nations Fourth World Conference on Women in Beijing. They reflect our nation's commitment to the Platform of Action agreed on in Beijing.

On Monday, Secretary Rubin, Mr. Atwood and I will speak at a major, international microcredit summit in Washington. This conference will bring together experts from around the world to talk about ways we can learn from each other's successes and challenges and apply those lessons within our own borders.

Later Monday afternoon, I will have the opportunity to visit a microenterprise project in Washington called FINCA, which now operates on several continents. Those of you who were with me in Nicaragua and Chile in 1995 will remember that we visited several FINCA projects on that trip.

Before we move on to our discussion, let me reiterate that I do not view microenterprise as the only way to promote economic and social development. I believe it is one way -- a valuable tool that has important implications in this country, particularly as we try to move people from welfare to work.

Brian and Bob, would you like to add anything to what I've said?

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