

Microcredit & kiva

Today you won't just read about business. You and your partners will actually **be** businesspeople. You will make decisions and take action that will help entrepreneurs (起業家) in developing countries.

You will become a **microcredit** lender.

Micro-credit

"Microcredit" means very small loans. They are made to people, usually in poor countries, to help them start or expand a business. The most famous microcredit bank is Grameen Bank in Bangladesh. It is now in India, too. It started in 1974 with a loan of US\$27 (less than 3000 yen) to 42 families. It helped the families make and sell small items. It helped them start their own businesses.

Grameen Bank has grown. Now there are over 2500 branches. It has loaned over US\$ 6,500,000,000. The loans go to very poor people. 97% of these loans go to women. Do the loans get repaid? 98.35% do! In 2006 Grameen Bank and its founder, Muhammad Yunus, won the Nobel Peace Prize. There are now similar programs in many countries.

How much is that in yen?
Check: xe.com



Kiva is an organization in the USA. It makes it possible for regular people to provide microloans. Go to **kiva.org**. Scroll down until you see "How it works." Read it. Talk about what it means with a partner.

Now make a group of about 4. You will have \$25 to lend. Click on **Lend** (top left). In your group, look at the **categories**. Do you understand the meaning? If you don't, click on it. You will see the meaning and some examples.

Discuss: What category to you want to lend to? Are there any categories you don't want to lend to?

Now read about the people asking for loans. As a group, decide on your top 3.

Name: _____ Country: _____
Total loan: \$ _____ (your group only loans \$25 of that)
Purpose: _____

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Read the requests again. Write 1-2 reasons you think this is a good loan to make. Write next to the boxes.

Decide **1** that your group will loan money to.

Who will you make a loan to? Why?

Write your reason: _____

When you decide, write the group name on the white board. Let's limit our loans to one to a person/group.

Make the loan.

Sign in (top right):

email: (we'll use a class email here)

Password: (your teacher will tell you).

Make the loan. Follow the instructions on-line.

Congratulations. You've just helped an entrepreneur or other person. And you've made the kind of decisions you'll need to make as a businessperson.

We'll check back later to see:

- how quickly we are getting paid back.
- if there are messages from the group you loaned to.
- check on the progress and statistics for our class' loan.

For more about Grameen bank, see:

https://simple.wikipedia.org/wiki/Grameen_Bank

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