

what is microfinance?

People living in poverty-like everyone else-need access to a diverse range of financial services, including loans, savings services, insurance, and money transfers.

Microfinance makes it possible for financial services to be offered to those who are excluded from the traditional financial system on account of their lower economic status. The concept of microfinance originated in Bangladesh, around 1976 through a pioneering experiment by Dr Muhammad Yunus.

By providing access to financial services, microfinance plays an important role in the fight against the many aspects of poverty. Experience shows that microfinance can help the poor to increase income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a powerful instrument for self-empowerment by enabling the poor, especially women, to become economic agents of change.

“you must be the change
you wish to see in the world”

-MAHATMA GANDHI

Microfinance is unique as a development tool because of its potential to be self-sustaining. Successful microfinance institutions have proven that providing financial services to the poor can be an effective means of poverty reduction and be a profitable business.

