



SOCIAL

Enhancing Success in Developing Countries

By Rogier Vergouwen • December 20, 2021

Summary:

- Microcredit finances small businesses in developing countries
- It creates social, economic and personal growth
- We have micro-financed small business owners for a decade, mainly women
- The vast majority have been successful

Entrepreneurs are born everywhere. Next to a great idea and perseverance, capital is needed to fuel a company's growth. As small business owners in developing countries have limited access to capital, we have been providing microcredit for 10 years. It has resulted in expanding businesses and economic growth in underserved communities around the world.

Successful entrepreneurship grows people personally and commercially, while the increase in profit and income improves the quality of life of their local communities. To create economic progress in emerging markets, we support small business owners surging their ventures, and as lack of capital is often the bottleneck, provide them with microcredit.

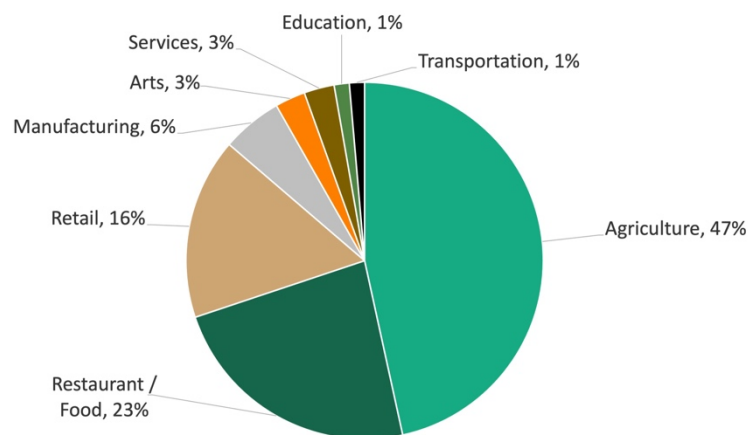
We find it equally important that the fragile economic environments in which they operate are not destroyed. Although we do not make a profit

with these loans, we have deliberately chosen not to provide gifts: donations would create dependency on a free-money infuse instead of enhancing people’s own strengths. Even worse, it would create an unfair competitive disadvantage for equally talented and hardworking people running similar businesses in their community. Making it difficult or even impossible for them to compete, healthy companies could default as a result.

Expanding Businesses

Effective and sustainable at the same time, we have been supplying microcredit for a decade. Common investments by farmers have been the purchase of fertilizers, compost and an irrigation system to increase their harvest, as well as seeds for additional crops to diversify their business. Many retail shops extended their product variety to obtain additional sources of revenue, while a successful tortilla company required an investment to bring their supply in line with the increasing demand from content customers. Since 2011, we have issued loans to 73 entrepreneurs in 31 countries worldwide. Many small farmers, shopkeepers and manufacturers have been able to expand their enterprises and increased their income as a result.

Distribution of microcredit per sector



Men, Women and Groups

We offer microcredit to men, women and groups, and while it supports all, it benefits female business owners even more than male. Since patriarchy often dominates society in many developing countries, access to loans enables women to build their own business, making them more independent, self-confident and respected in their community. Moreover, the increased income is often used for family needs like education for their children, enabling them to double or triple the next generation's income and enhancing future prosperity as a result. We have issued the majority of our loans to female entrepreneurs.

We also provided a significant number of loans to groups. Women tend to work more often together than men: of the people attaining our microcredit, only 6% of the male versus 47% of the female borrowers work in cooperatives.

Success

To ensure people are capable to grow their business, we carefully evaluate the purpose of the investment before issuing a loan. A sound investment gives entrepreneurs a fair chance to expand their business and return their loan. That the program works well is shown by the figures: 97% of all borrowers have been able to grow their enterprise and paid their investment back. Good entrepreneurs are born everywhere.