

# FACTS AND FIGURES

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## □ MICROENTERPRISE QUICK FACTS

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- The U.S. government defines “microenterprise” as a firm of 10 or fewer employees (including unpaid family workers) that is owned and operated by someone who is poor.
- The Microenterprise for Self-Reliance Act, passed by the U.S. Congress in 2000, mandates that half of all USAID microenterprise funds go to the very poor, currently defined as those living on less than \$1 a day, or those determined to be in the bottom half of the population living below their country's poverty line.
- The U.S. government strategy for supporting microenterprise development centers on policy and regulatory reforms that support conditions for business development, access to business development services, and delivery of microfinance.
- Firms of five or fewer employees account for half of the nonfarm workforce in Latin America and two-thirds of the nonfarm workforce in Africa.
- In Indonesia, firms with five or fewer employees account for almost half of total manufacturing employment while small firms account for an additional 18 percent.
- In Thailand, micro and small enterprises comprise more than 97 percent of all firms in the manufacturing and trade/service sectors. Micro firms generate 71 percent of total employment in the trade/service sector.
- In Bangladesh, more than 90 percent of the firms engaged in the \$350 million shrimp export business are microbusinesses.
- USAID's average annual funding for microenterprise over the past five years has exceeded \$160 million. This support reached more than 3.7 million microentrepreneurs in fiscal year 2002, more than two-thirds of whom are women.
- In South Africa, 87,000 of the 90,000 firms in the construction sector are micro- and small-scale enterprises.
- According to a study conducted by the Consultative Group to Assist the Poor, a consortium of 29 public and private development agencies: the weekly income of members of El Salvador's FINCA, a microcredit lending institution, increased on average by 145 percent; half of the members of SHARE, a microcredit group in India, brought their incomes above the poverty threshold, and nearly all girls in Grameen Bank-client households in Bangladesh received schooling, contrasted with 60 percent of girls in non-client households.
- Borrowers of very small loans from institutions providing microenterprise support typically show repayment rates exceeding 95 percent.
- According to Opportunity International, a non-profit humanitarian agency that provides small loans to the poorest of the working poor in 25 developing nations around the world, 96 percent of its 176,147 poor clients in 1999 repaid their loans on time and at market interest rates. It said that 276,886 jobs resulted from these loans.
- In September 2003, The Agha Kan Fund for Economic Development (AKFED) received a banking license for the First MicroFinance Bank (FMFB) in Kabul, Afghanistan. The institution, with an initial capital of \$5 million, will be the first of its kind to be established under the country's new regulatory structure. It will focus on microenterprises and small businesses, particularly underserved populations and those in rural mountainous areas.
- The access to Credit for Southern Iraq (ACSI) program is designed to provide financing to micro, small-, and medium-scale businesses, with a particular focus on women-owned enterprises and firms. Implemented by CHF International, ACSI currently operates in the governorates of Jajiaf, Karbalah, Babil, and Baghdad and will soon expand to Basra and Qadissiya. Through January 2004, a total of 1,025 loans had been disbursed totaling \$2.35 million.
- The UN General Assembly designated 2005 as the International Year of Microcredit and has invited governments, the United Nations system, concerned nongovernmental organizations, and others from civil society, the private sector, and the media to join in raising the profile and building the capacity of the microcredit and microfinance sectors. □