

Small planet

Micro steps to end slum poverty

NAIROBI



Hit movie *Slumdog Millionaire* is about one tea-seller's hopes of escaping Mumbai's urban slums by winning the Indian version of *Who Wants to Be a Millionaire*. The odds are of course fanciful, but right now there is a real tool that has helped more than 100 million of the world's poorest people actually begin to escape the worst devastations of poverty.

That opportunity is microcredit – small loans to start or expand businesses such as selling tortillas or mobile-phone time to your neighbours. And if there was an Oscar for assisting beggars, thieves, and prostitutes to find a dignified route out of the slums, the winner would be found in Nairobi among its “slumdog entrepreneurs”.

Jamii Bora, which means good families in Swahili, is a Kenyan microfinance institution that has grown from lending money to 50 women beggars 10 years ago to serving more than 200,000 members today. One of those entrepreneurs is Joyce Wairimu. Wairimu was one of the 50 women beggars who started Jamii Bora with founder Ingrid Munro in 1999. Munro calls Wairimu one of the fast climbers out of poverty. In 10 years, Wairimu has built six businesses and employs 62 people.

Another fast climber is Wilson Maina. Before Jamii Bora, Maina was a thief and a wanted criminal. Starting with a loan of \$20, Maina has built four businesses and a new life for himself and his family. Along the way, he has convinced hundreds of youths to get out of crime.

Munro didn't stop at providing microcredit to help the poorest slum dwellers. She decided to build a town with decent housing and business



space for her entrepreneurs. “Every poor person's dream is to move out of the slums,” Munro says, “not patch up the slums.” At the end of January, that's exactly what happened when the first 246 families moved out of the slums and into the newly created Kapatiei town, with nearly 1800 families to follow. For the same monthly mortgage they had paid for their one-room shacks, each family now lives in a home with two bedrooms, a bath, a kitchen and a living room. But this is ultra sub-prime lending that works, because in order to qualify for a mortgage the residents have to have successfully repaid three microbusiness loans.

Munro's capacity to innovate and defy conventional wisdom in the microfinance field began 20 years ago when she and her husband adopted three street children. In the fertile ground of Munro's relationship with the mothers of her sons' friends in the streets – women who were beggars – her profound insights grew. When Munro, a Swedish trained architect and urban planner, retired from the African Housing Fund in 1999, she thought she would also retire from the little group of 50 beggar women with whom she had been working. But when the women pleaded with her not leave them,

Munro agreed to stay and insisted that they must lift themselves out of poverty. For Munro that meant the women had to start developing the discipline of saving on a regular basis. She had them come every Saturday with about 50c in savings. When they deposited their 50c she would give each of them two scoops of corn and one scoop of beans for free. After two months, the bags were empty, but the beggars continued to save, without the incentive. All Jamii Bora staff are former members, previously destitute themselves.

Winning the war against poverty won't come striking it rich on a game show. Winning the war against global poverty will come when we realise that we have one of the answers – microcredit – and summon the political will to support those microcredit programs that have figured out how to reach the world's most destitute people. This is a final answer we can stand behind.

By **Sam Daley-Harris**, founder of the Microcredit Summit Campaign which seeks to reach 175 million poorest families with microcredit (www.microcreditsummit.org) and of Results which seeks to create the political will to end poverty (www.results.org).

New start: A child's feet pictured in a Nairobi slum in 1997. Photo: Sandy Scheltema