

Peace Prize winner among pioneers in microfinance loans: Church-backed groups help poor build future

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This year's selection of the Nobel Peace Prize winner has thrown the spotlight on Christian-supported microfinance and banking institutions that make small loans to help poor people build a future.

The Norwegian Peace Prize committee announced that this year's award will go jointly to Bangladesh economist Muhammad Yunus and his Grameen Bank as one of the pioneer groups helping to overcome poverty, especially in developing nations.

Opportunity International, a Christian ministry based in Oak Brook, Illinois, congratulated the winners for their role in helping to make microfinance "a proven, long-term solution to poverty." The U.S. group was founded in 1971, five years before Grameen Bank was started by Yunus.

Christopher A. Crane, president and CEO of Opportunity International, said his organization recently announced a \$1 billion, seven-year plan to help 100 million people work their way out of poverty by 2015. "The appeal of microfinance is that it gives a hand up, not a handout," Crane said in a statement.

Peace Prize winner Yunus, 66, has been nicknamed a "banker to the poor" for setting up his Grameen Bank to extend small loans, known as microcredit, to the very poorest in Bangladesh, particularly women, enabling them to start up small businesses.

Since then, the bank has been a source of ideas and models for the many institutions in the field of microcredit that have sprung up around the world, the Norwegian Nobel Committee noted in announcing the award October 13. "Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty. Microcredit is one such means," it stated.

Oikocredit, another church-backed institution, also sent congratulations to Yunus. An international financier based in the Netherlands, Oikocredit said it has approved more than 100 million euro worth of credits in the first 10 months of 2006.

"Muhammad Yunus has given a new perspective on life to the 1.1 billion people who live on less than a dollar a day," said a statement from Oikocredit, which received support in the mid-1970s from the World Council of Churches.