MICROFINANCE

eBay launches MicroPlace, money transfer by mobile phone

On 24 October 2007, online auction giant eBay launched its new MicroPlace [https://www.microplace.com/] web site where investors from the USA can lend as little as US$ 50 (EUR 34.50) to small business owners around the globe. PayPal, eBay's online payment service, will process the loans free of charge. At present MicroPlace is working with microfinanciers the Calvert Foundation and Oikocredit.

The web site provides information on borrowers who have benefited from microcredit like Julissa Cantos Sandoya from Ecuador. She used her loan to buy a small water processing plant that sells large filtered water bottles for distribution in the Salinas and La Libertad neighborhoods of Guayaquil.

Tracey Pettengill Turner, who developed the MicroPlace concept and sold her company to eBay in June 2006, hopes to expand the reach of the microfinance industry from the current 100 million people to more than 1 billion people worldwide. MicroPlace builds on the success of other microfinance web sites like Kiva [http://www.kiva.org/] and Prosper [http://www.prosper.com/].

In a related development, Western Union and GSM Association have announced a service deal will allow customers to send and receive low-denomination, high-frequency cross-border money transfers via mobile phones. Global cross-border remittances are said to be worth an estimated US$ 500 billion (EUR 345 billion) a year.

Related news: Open source: Akvo.org, a "Wikipedia and eBay for water", Source Weekly [http://www.irc.nl/page/37687], 5 Oct 2007 ; WaterCredit: WaterPartners International launches micro-lending scheme, Source Weekly [http://www.irc.nl/page/14557], 22 Oct 2004.

Web sites: MicroPlace [https://www.microplace.com/] ; IRC – Financing and Cost Recovery [http://www.irc.nl/financing].

Source: Catherine Holahan, Business Week [http://tinyurl.com/2wyw3j], 24 Oct 2007 ; Business Wire / Western Union [http://tinyurl.com/2wv4wk], 18 Oct 2007.

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