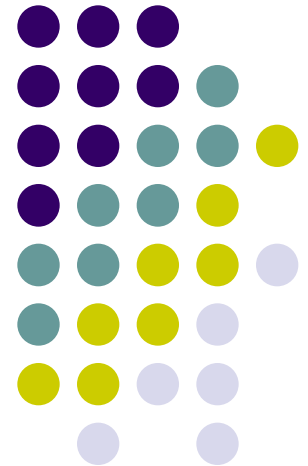




Microcredit and Development

Bangladesh

*By
Daniel
Davis*



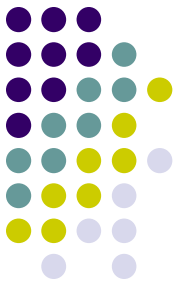
The Challenge:

To spend two weeks in the nation of Bangladesh with colleagues from across the United States to examine microcredit and development





First Impressions



A people who are:

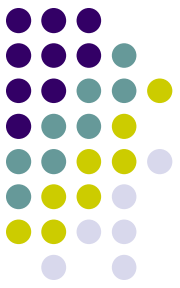
- **Generous**
- **Friendly**
- **Resilient**
- **Determined**
- **Hard-working**

First Impressions

A culture that offers:

- Tasty food
- Morning, afternoon, and “just because” tea breaks
- Hospitality





First Impressions

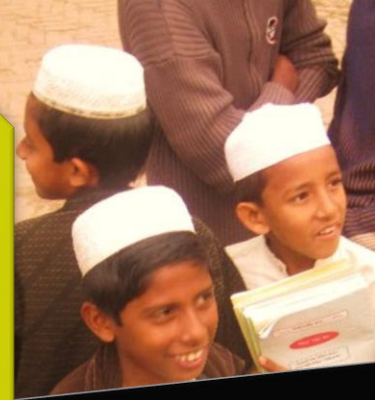
**An environment
that includes:**

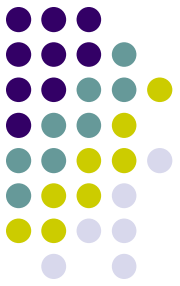
- **Poor air quality**
 - **Mosquitoes**
 - **Minimal infrastructure**
- **Ridiculous traffic**



What I Learned from U.S. Ambassador James Moriarty

Take a nation the size
of **Iowa** and add an
additional 165 million
people: *Welcome to
Bangladesh*, the most
densely populated
nation in the world.

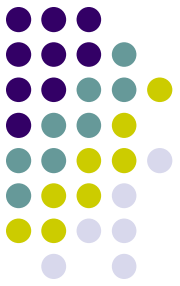




Insights from
Muhammad Yunus



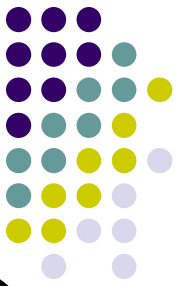
**Grameen
Bank**



Grameen is the
Bangla word for
village.

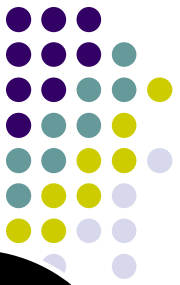
In **1974**, Dr. Yunus started Grameen Bank to offer low-interest loans to people who had **no collateral** to get traditional loans.





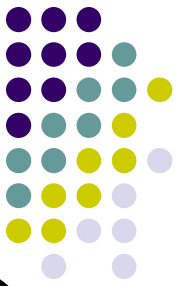
Ownership

The borrowers are the owners of Grameen Bank. The thought was that if the bank **belongs** to the borrowers they will be more motivated to pay their loans back.



Understanding

Grameen Bank is built upon the philosophy that the institution can only help their customers if they understand the **reality they face.**



**The people should
not come to the
bank...**

...the bank should
go to the people.





By the Numbers

26,000 staff

80,000 villages

**8.1 million
borrowers**

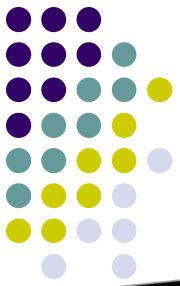
Meeting Needs

Microenterprise Loans

Education Loans

Housing Loans

Beggar Loans



The goal is to
help the poor;
the goal is not
to become
loan sharks.



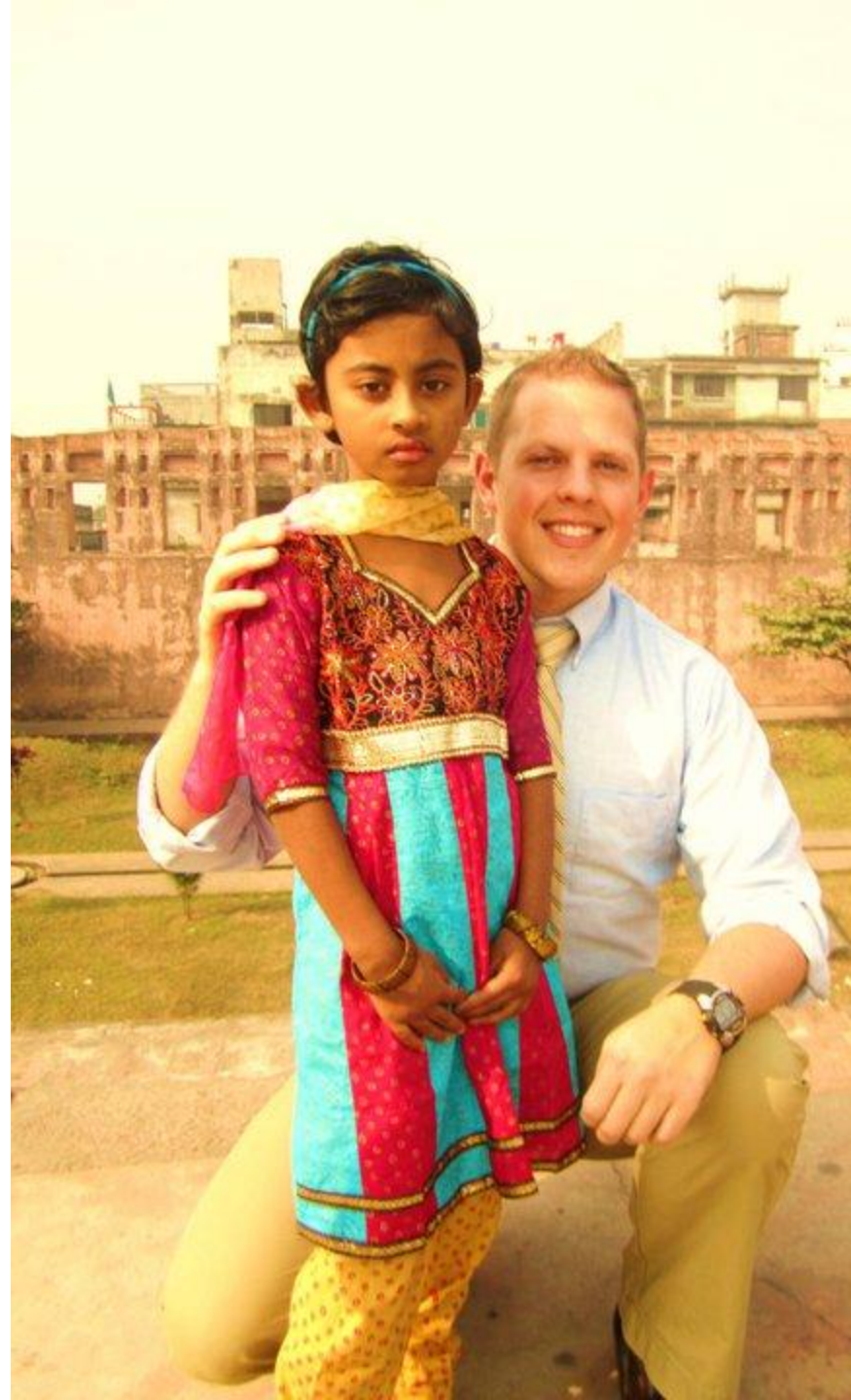
Interest Rates

20% for income-generating loans

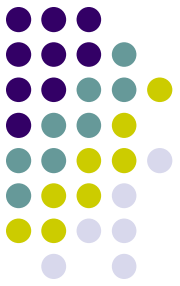
8% for housing loans

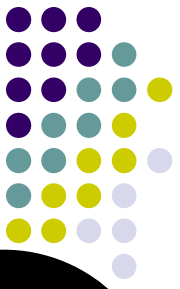
5% for student loans

0% (interest-free) loans for beggars



Grameen loans
have a
99%
payback rate.





Transformation

Grameen borrowers agree to make 16 decisions, ranging from educating their children to committing to drink only clean water.

Empowerment

97%
of borrowers are
women.





Savings

Most borrowers
have more money
in their **savings
accounts** than
they have in
loans.

Dream

Borrowers are encouraged to dream to be a **job giver** rather than a **job seeker.**



Social Business

Start a business to
solve a problem.



Expansion

There are **25** Grameen companies meeting needs, including cell phone access, **malnutrition**, and nursing education.





Grameen America

Grameen has opened
U.S. branches in:

- New York
- Nebraska

Five more branches
are in development:

- California
- Indiana
- Massachusetts
- North Carolina
- Washington, D.C.



“I believe that we can create a **poverty-free world because poverty is not created by poor people. It has been created and sustained by the economic and social system that we have designed for ourselves; the institutions and concepts that make up that system; the policies that we pursue.”**

- Dr. Yunus, 2006 Nobel Peace Prize speech

