Bangladesh

Microcredit and Development

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
A culture that offers:

- Tasty food
- Morning, afternoon, and “just because” tea breaks
- Hospitality
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.
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.
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.
26,000 staff
80,000 villages
8.1 million borrowers
By the Numbers
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.
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.
Grameen borrowers agree to make 16 decisions, ranging from educating their children to committing to drink only clean water.
97% of borrowers are women.
Most borrowers have more money in their savings accounts than they have in loans.
Borrowers are encouraged to dream to be a job giver rather than a job seeker.
Start a business to solve a problem.
There are 25 Grameen companies meeting needs, including cell phone access, malnutrition, and nursing education.
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