



In 1974, Professor Muhammad Yunus, a Bangladeshi economist from Chittagong University, led his students on a field trip to a poor village. They interviewed a woman who made bamboo stools, but couldn't afford to pay the equivalent of 20 U.S. cents to buy the bamboo. She had to borrow the money from the bamboo trader, then sell her stools to him at a price he dictated. So the woman ended up earning 2 cents a day. Professor Yunus took a student around the village and came up with a list of 42 people in that sort of situation.

"When I added up the total amount they needed, I got the biggest shock of my life: It added up to 27 dollars! I felt ashamed of myself for being part of a society which could not provide even 27 dollars to 42 hard-working, skilled human beings." He loaned them the money, telling them to pay it back whenever they could afford to. He found that it was possible with this tiny amount not only to help them survive, but also to create the spark of personal initiative and enterprise necessary to pull themselves out of poverty. Professor Yunus asked bankers for help, but they were all skeptical that the money would be repaid by people who were too poor to offer collateral. He got every penny back, so he went to other villages and did the same thing, always getting repaid. But the banks still wouldn't do anything to help.

Against the advice of banks and government, Yunus carried on giving out 'micro-loans', and in 1983 formed the Grameen Bank, meaning 'village bank' founded on principles of trust and solidarity. In Bangladesh today, Grameen has 1,084 branches, with 12,500 staff serving 2.1 million borrowers in 37,000 villages. On any working day Grameen collects an average of \$1.5 million in weekly installments. Of the borrowers, 94% are women and over 98% of the loans are paid back, a recovery rate higher than any other banking system. Grameen lends about \$500 million a year – with the average loan being less than \$200. Grameen methods are applied in projects in 58 countries, including the US, Canada, France, The Netherlands, and Norway.

Muhammad Yunus is that rare thing: a bona fide visionary. His dream is the total eradication of poverty from the world. 'Grameen', he claims, 'is a message of hope, a programme for putting homelessness and destitution in a museum so that one day our children will visit it and ask how we could have allowed such a terrible thing to go on for so long'. This work is a fundamental rethink on the economic relationship between the rich and the poor, their rights and their obligations. The World Bank recently acknowledged that 'this business approach to the alleviation of poverty has allowed millions of individuals to work their way out of poverty with dignity'.

Credit is the last hope left to those faced with absolute poverty. That is why Muhammad Yunus believes that the right to credit should be recognized as a fundamental human right. It is this struggle and the unique and extraordinary methods he invented to combat human despair that Muhammad Yunus recounts here with humility and conviction. It is also the view of a man familiar with both Eastern and Western cultures — on the failures and potential for good of industrial countries. It is an appeal for action: we must concentrate on promoting the will to survive and the courage to build in the first and most essential element of the economic cycle — Man.

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