

# grameen bank

NOBEL  
PEACE PRIZE  
WINNER  
2006

August 2018



## the intern's magazine

"BANK FOR THE POOR"

Issue 02





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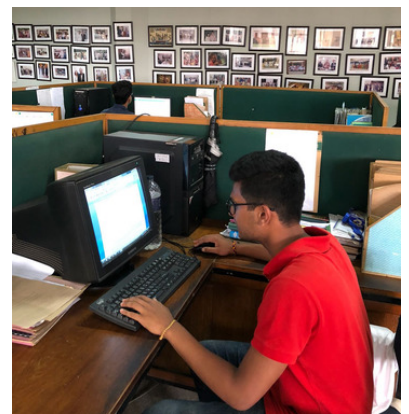
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# messages from directors

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I am delighted to see that Grameen summer interns of 2018 take initiative for publishing a 2nd issue of the intern magazine. Their love and interest towards their work and also their thought for change the world surprised me. I believe that the young people can change the world. Some of our young interns will contribute to poverty reduction like as others previous interns. Therefore the next generation needs to lead this path of the reduction of poverty.

Many of the interns come from different countries, different universities and cultures. They can share and implement their learning from Grameen in their society to reduce poverty. And you everyone become one pieces of Grameen ambassador to the world at coming days. I am encouraging all of you to become positive thinker for the change the life of human being.

It's good to have you with us.  
Stay tuned.

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**MR. BABUL SAHA**  
**ACTING MANAGING DIRECTOR**

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I am happy to hear that the 2nd issue of GB Interns magazine is going for published in the coming days. Each year some smart interns take this opportunity. Summer 2018 interns Victor, Penelope & Priya's team is an editorial team for this magazine. I saw their write up and understand that these young students observation, analytical ability, social and human concept is very rich. Hope when they have a chance to change the world, they will do their best. Go ahead young students and point your aim for human being. Thanks to the editorial team.

The involvement of young generation is essential to achieve our goal of putting poverty into museums. Our target is to motivate them for use their potentiality and energy for poverty reduction from all over the world.

This is the second initiative to establishment network of Grameen interns and hope many past interns will join this network coming days.

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**SYED MUHAMMAD ALAMGIR**  
**GENERAL MANAGER**



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# foreword

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BY VICTOR BUS

Taking part in the Grameen Bank Internship for some days, weeks or months is an unforgettable experience. Living in Dhaka, Bangladesh is something students from the West cannot be prepared for. As an international intern I had to adapt and discover new people, new food, a new language and a new culture. But I felt comfortable very rapidly. The people are benevolent, the food is good, and Bangladesh is full of surprises.

Being an Intern at Grameen Bank is working and learning above all. Professor Muhammad Yunus' ideas and theories completely changed my vision of economics, sociology and human behaviours. In Grameen Bank we believe in the power of interpersonal trust and reputation, we believe that the poor are not poor by choice and can run a business as anyone else, we believe that women can take care of the portfolio and we believe that eradicating poverty is possible. The model Prof. Muhammad Yunus created works in a developing country populated by more than 160 million people. So, why not everywhere else? Because you need to come and see. I truly believe that the theory is necessary, but the practical aspect of the mechanisms of Grameen Bank can only be understood by taking part in a practical program such as the internship.

Being an Intern at Grameen Bank is also meeting with people from Bangladesh and all around the world. We built strong ties and the atmosphere was joyful at all times. The coordinator, responsible for the interns and the schedule of the internship are always available and very responsive to the interns needs and wishes.

Being an Intern at Grameen Bank is unpredictable. Having the opportunity to write a magazine about this unique experience was not planned. The magazine started at the initiative of Sir Harun-Or-Rashid, our team rapidly started working and in less than 3 weeks, the magazine was done. Writing and editing this magazine certainly added excitement to our internship and we hope that it will help the reader understand better what is Grameen Bank and what is the Grameen Bank internship experience.

The Grameen Bank intern's cohort of July 2018 proudly presents to you the second issue of their Intern's Magazine.



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# **INTERN'S WRITE-UPS**

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# A BANK FOR THE POOR

By Ariful Adam Islam, Pennsylvania State University, USA



**I**N 1976, Dr. Muhammad Yunus embarked on a journey to make a Bank for the Poor. He was a professor at Chittagong University conducting a research study with his students when the idea came to his head. With just a \$27 investment he made a bank that has disbursed billions of dollars in microcredit loans since inception. With around a 99% repayment rate the bank was a mindset smashing success.

Before Grameen Bank, the unfortunate people of Bangladesh had no path to become self-sufficient. The only way to get through the day was to beg. Dr. Yunus provided an opportunity for people to start their own business to earn income to provide for themselves. He provided Microcredit (Loans) to people without any Collateral.

He built a system around trust and changed a lot of people's perspective about poor people. Where people always think of poor people aren't capable of anything, Dr. Yunus proved that they are capable of doing everything.

In 2006, Dr. Muhammad Yunus and Grameen Bank were both awarded the Nobel Peace Prize for their commitment to society. What started in a small village in Chittagong was now in the face of the international community and it was being awarded the highest accolade of success.

Grameen Bank has come a long way since its inception and it still has a long way to go but we must not forget the lives it has changed for the better. 🏠



# ***The importance of the Bangla language***

BY RAIYAN SYED  
UNIVERSITY OF ARKANSAS, USA

**Being an intern at Grameen Bank means living in Bangladesh for several weeks or months and no one can realistically picture the life in Bangladesh before living in this country. Its culture, its people, its traditions, its history are unique. The culture of the country, shaped by its language and its history, marked by a bloody independence war, must be known before coming to Bangladesh.**

In 1947, the British decided to split India into two countries, India and Pakistan, India would be the country for Hindus while Pakistan would be the country for Muslims. The country that is now Bangladesh was called East Pakistan while present day Pakistan was called West Pakistan. The presence of India between the two countries outweighed the commonality of both countries having a majority Muslim population. With the two countries having different native languages and cultures, keeping the two Pakistans together with India in between was seemingly impossible.

In 1970, the Bangladeshi Awami League political party, led by eventual founding father Sheikh Mujibur Rahman, won the majority of the seats in the Pakistan government. However, Sheikh Mujib was blocked from coming to power by Pakistani authority. This was one of the events that pushed years of tension between East and West Pakistan to a tipping point. There were already tensions between the two due to events such as the Bangladesh Language movement on February 21, 1952, where a handful of people died in protest of a declaration of Urdu as the national language. Eventually, Bangladesh declared independence from Pakistan and a war ensued. During the process, many Bangladeshis died in what is one of the largest genocides in history.

Bangladesh finally gained independence on December 16, 1971, with a gallant effort from the "Mukti Bahini" or Freedom Army and with help from the Indian military. The Freedom Army was in reality a militia, not having the resources or the formal training of a standard national army. With the help of solid leadership, this militia was able to stymie the much better equipped Pakistan army. That being said, many people here are used to making the most of limited resources. This is especially helpful in such a vastly overpopulated country where resource scarcity is one of the biggest problems that this country's leadership faces. It thus helps that people here are used to surviving with such a scarcity of resources. This sort of resourcefulness is vital to the country's growth since independence and will continue to be vital for future growth as well.

Language is also a very vital part of modern Bangladeshi society. The Bangla language has many dialects across various regions such as Chittagong, Sylhet, and Barisal. Most of the urban population is capable of speaking a neutral dialect of Bangla that people all across the country can understand. However, one will find that most people feel most at home and enjoy speaking the regional dialect of their respective hometowns. Although some of these dialects are vastly different from neutral, formal Bangla, they still fall under the Bangla language that people gave their lives for so many years ago. Efforts by people to maintain all of these dialects and thus the general language of Bangla is at the very least a subconscious continuation of the same spirit that motivated the events of February 21, 1952.

Even if future generations of Bangladeshis do not actively think of the sacrifices it took to create this independent country, the spirit of the language martyrs and Freedom Fighters will persist in some way, shape, or form as long as the history does. 🏠



# HOW IT WORKS

**BY DAVIDE BOTTICCHIO  
BOCCONI UNIVERSITY, ITALY**

Grameen Bank was founded to provide small loans to the poor in order to assist them in creating their own businesses. The traditional banking system has long shunned those who have not been able to provide collateral. Without a small amount of capital, village people were forced to take loans from usurers who held for themselves most of the business profit with high interest rates. Under these conditions people needed the help of an institution created to give them a possibility to change their lives.

To be successful Grameen Bank needs to ensure borrowers invest their loans in profitable businesses, otherwise borrowers will not be able to repay their loans and the bank will fail. Before giving a loan, Grameen Bank's employees work with members and give advice regarding their potential activities. The economic condition of Bangladesh's villages also help Grameen members because there are many opportunities for small entrepreneurs.

After giving the loan, Grameen Bank has to monitor the behaviour of borrowers due to the risk the bank is taking by not requiring collateral. Professor Yunus solved this problem with an unconventional yet effective solution, human trust. Grameen Bank's structure is shaped to be as close as possible to the villages. Unlike other banks, it provides door to door services and stays in contact with all members through weekly meetings. The idea of grouping borrowers helps create a social control on the behaviors of people inside the villages where each member of the group acts as a guarantor for others.

There are many important lessons to be learnt from the forty years that the Grameen Bank has functioned. Grameen proved that many poor people have the potential to change their lives by themselves, but the economic and institutional environment force them to remain in their desperate condition. 🏠



# Grameen's recipe for success

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by Pénélope Rascol, Bocconi University, Italy

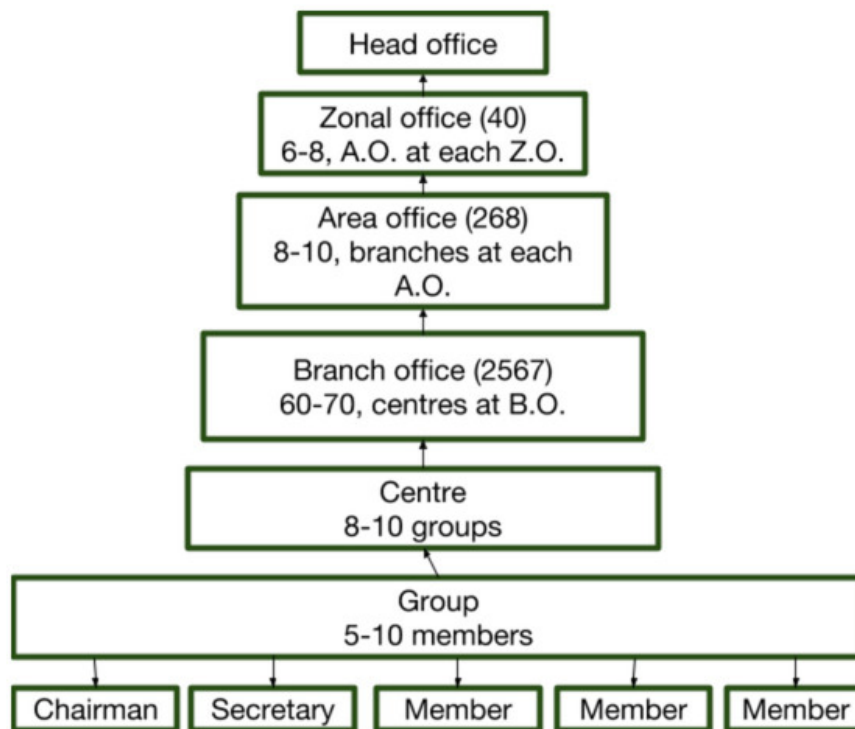
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**After reading with passion Professor Yunus' book "Banker to the Poor", three years ago I did an internship in a microcredit NGO in Mozambique. There, I saw the upsides of microcredit but mainly the downsides. This year I decided to join Grameen bank to understand why it works so well in Bangladesh. In my opinion, the key to the success of the Bank is the structure on which it is based. Without this model, microcredit would not be this efficient.**

The organizational chart of Grameen Bank has seven levels that are all interconnected. The most important and structuring level for the borrowers is the group. Thus, the first step for a potential borrower is to form a group that respects 5 criteria: members must be landless and assetless, meaning that they own less than 1/2 acre; the group must be composed of 5 members; there must not be any blood relation between the members; they must be permanent residents and neighbours in the village where they form the group; they must be close in age.

Once the group has been formed, members receive training from Grameen staff; it lasts one week and is called the mini-meeting. During this period, new members learn about the system and the 16 decisions, they are given explanations on how to begin and end a meeting, they are taught how to write their name and learn about discipline. This is also the moment where Grameen speaks with the new members' husbands, sons, fathers and where the group elects a chairman and a secretary.



## Grameen Bank organizational chart

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In short, the groups must be formed between women who trust each other and look up to one another in order to create a sense of unity and reciprocity.

Once a week, group members meet at the centre office and give their contribution to the centre manager for the weekly repayment. During the centre meetings, members can also ask for a new loan. The centres are built by the people with the help of an interest free loan if needed. The advantage is that when there is no centre meeting, the centre can be used for other purposes by the owner of the land. A centre gathers 8 to 10 groups.

The next level is the branch office generally composed of 60-70 centres. A small branch will cover about 15 villages, while a big one will cover about 25 villages. One week after the loan request, members must go to the branch office to get their loan approved and receive the money.

The two following steps are the Area office and the Zonal office that are controlling offices.

81,000 villages over 85,000 in Bangladesh are covered by Grameen Bank. One of the biggest advantages for the borrowers is the proximity of Grameen Bank to the villages. Indeed, the system is built so that everything happens on the field. Thus, members do not incur any transportation costs or travel time. They do not go to the bank, the bank comes to them.

Borrowers can withdraw their savings at anytime and the whole family can benefit from the loan. No collateral or legal agreement is used for the loans, and yet 99% of members reimburse the money. In 5 working days, Grameen Bank and its staff need to meet 9 million members. The key of their success is the program structure, it develops people's lives in a sustainable way and they obtain more confidence as they grow within the system. In other words, Grameen Bank gives a guideline for self-help. 🏠



# The Grameen Bank footprint

By Tommaso Baccini & Francesco Paglialunga  
Luiss University, Italy

Bangladesh, like many other developing countries, has vast rural areas in which the majority of the population, particularly women, is subject to severe poverty, inequality, and unemployment. Traditional commercial banks deny loans to these people, who lack the ability to provide any type of collateral. In this complex environment, Professor Yunus launched Grameen Bank, his mission to design a credit delivery system to provide banking services targeting rural poverty. It started as an action research project that was implemented with the objective of examining the feasibility of such a system. Grameen Bank is a micro-credit organization, independent and separated from Bangladesh Bank, and it is the largest financial institution in the country. In numbers, Grameen Bank has 2,568 branches that cover 81,675 out of 86,000 villages in Bangladesh. Grameen Bank staff members are totaled at 20,138 (July 2017) 15% of which are female.

Grameen Bank operates as a pyramid-shaped organogram. At the top of the pyramid, there is the Head office whereas at the bottom there are the members who own the bank. The pyramid is divided into four administrative tiers, all of which have a distinct set of functions. The four administrative tiers are; Head Office, Zonal Office, Area Office, and the Branch Office.



The Head Office, situated in Dhaka, is the central unit of Grameen Bank. This is the only Office located in the city, while the other three are located on the field due to which they are generally referred to as "Field Offices."

One of the Grameen Bank's main characteristics is the Field Office. They are entirely independent of the Head Office and therefore they have a high degree of autonomy. It could be concluded that Grameen Bank operates through a delocalized system.



Grameen Bank counts 40 different Zonal Offices, each of which supervises six to eight Area Offices, with the main purpose of carrying out all the administrative tasks. The Head Office, on the other hand, is primarily involved in providing training and raising both loan micro-credit and grants from external sources.

Grameen Bank has 265 Area Offices, each of which supervises eight to ten Branch Offices. An Area Office typically approves loans based on Branch Managers' recommendations. The Zonal Office is headed by a zonal manager who oversees two principal officers, fifteen senior officers, five officers and twelve other employees.

The Branch Offices are the banking units mostly involved with members. They play a crucial role within the bank's operations. There are 2,568 different Branch Offices spread around Bangladesh, each of which controls sixty to seventy different centers located in villages within walking distance from a Branch Office.

Given their predominant role in the Grameen Bank's operations and management structure, they also have the highest number of employees. At the bottom of the briefly described pyramid, there are borrowers who are also bank members and owners. They are organized into small homogeneous groups composed of five people each. The members have to attend weekly center meetings to pay back an installment of what they have borrowed. All the money collected from the center goes back to the Branch Office of Grameen Bank, which uses it to provide new loans or to make new investments. In our opinion, the most surprising aspect of the described banking structure is its detail and rigor.

On one hand, the strong vertical and decentralized structure and, on the other hand, the fact that each borrower is an owner and, therefore, the shareholders of the bank create a mighty weapon against the vicious cycle of poverty. Since its foundation in 1983, Grameen Bank has reached 9 million borrowers and have disbursed billions of dollars in loans. These are achievements that led to the Bank earning a Nobel Peace Prize in 2006. 🏠







# *A life for the downtrodden*

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By Awan Bhuiyan, USA

At Grameen Bank loans are given out to the poor on a day to day basis. There are many categories for loans and are only available to the members of the bank. Loans are classified into six groups: Basic loans, Flexible loans, Housing loans, Higher Education loans, Youth Entrepreneurs loans, and Struggling Members loans.

Basic loans are dispersed in the range of \$ 350-450 for first-time users. The repayment schedule is on a weekly basis, and the duration of the loan is from 3-36 months. Loanees have the option to pay more during the 'good' agricultural season. Interest rates for the loans are at 20%, but on a declining balance, which gives excellent motivation for the borrowers to make weekly on-time payments.

Compared to other microcredit organisations, the interest rate at Grameen Bank is low, as the Microcredit Regulatory Organization permits the highest interest rate of 27%. At present, borrowers make 44 instalments in a year which include payments toward the principal amount, as well as interest. A subset of Basic loans: Microenterprise loans are granted after two years of the basic loans. The benefit is that it has no limit and can be used to establish bustling businesses.

Flexible loans are not necessarily used for a particular cause, but rather modifies the payment schedule of an existing loan.



Housing loans are provided three years after first taking loans, as it is a non-income generating loan, as loanees need to have an established form of income before undertaking such a massive burden. Repayment is made on an 8% declining balance on a weekly basis, and the duration lasts from 4-10 years.

Higher Education Loans are only limited for the borrower's children and can only be applied for postgraduate studies. The duration of the loan is the same as the study period, is paid on a 5% declining balance after finishing studies. The bank offers a one year grace period after concluding their studies and is the only loan which is repaid back on a monthly period.

Youth Entrepreneurs Loans are issued for self-employment and proprietorships and is given exclusively to previous beneficiaries of the Higher Education Loan. The loan has no set limit and is used to stimulate the economy in the vicinity and provide more jobs to the people.

Lastly, Struggling Members Loans are issued to the beggars of the society to encourage them to work for their advancement in the economic food chain. The loans are at 0% interest and have no repayment schedule. Recipients are not required to pay back the loans and are exempt from the Grameen Bank organisational schedule, rules and regulations, so as a result, all Struggling Members Loans are auto insured by Grameen Bank.

In a recent field trip visit to Delduar Upazila in Tangail, we met a person by the name of Mr. Mohammad Afsar Ali. Ali currently has undertaken a loan of about \$ 12000 (10 Lakh) for his sari business. He initially undertook a loan of \$ 30 and slowly built up his business. When asked how Grameen Bank aided in his livelihood, he claimed that he was able to educate all 3 of his sons and ensure a better future for them. Till this date, Grameen Bank has dispersed an impressive \$2.5 Billion and has a money recovering rate of 99.2%! 🏠





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# THE ROLE OF TRUST

BY BENEDETTA PONTECORVO, DOMIZIANA LETO,  
FRANCESCA AMICUCCI & MARGHERITA VITA  
LUISS UNIVERSITY, ITALY

**If you decide to study the Grameen Bank system, what would strike you the most is the unique method used by managers which is almost entirely based on trust.**

As an intern coming from Europe, one of the most relevant impression you would get when arriving at Grameen headquarters (after the hectic and noisy traffic of Mirpur and the messiness and smelliness of the streets on your way to the office) is the friendliness of the people working there. As soon as you get to the international program department you feel in a warm welcoming place, and such a feeling is really different with respect to the one you perceive in the majority of the working places in Europe.

Grameen bank is not a traditional bank, its history is different from the one of other credit institutes. Its mission is to improve standards of living of poor people and to find tools to redistribute wealth among the population. To succeed in this mission, managers of Grameen bank believe firmly in the talents, creativity and worthiness of its members, no matter how unworthy they may seem under a traditional banking point of view. Grameen Bank believes that credit is a human right and everyone should have access to financial services. That is why the main clients of this type of bank are “unbanked” people, namely the ones that are not taken into consideration by traditional banks. Since they do not have any collaterals to give, the main concept that emerge in the Grameen model is role of trust.

The multilateral trust between the borrowers and the lending institution is considered the key element of the Grameen model. This trust has been acquired through a long and laborious process carried on by the bank management and the staff. Nowadays, this trust-building aspect gives a strong character to the management attitude of the institution.

In order to obtain a loan and become a member there are some specific rules to respect. First of all, it is required to form a group of 5 borrowers, the reason behind this rule is that people alone tend to be unpredictable and airy-fairy while, within a group, they gain steadfastness and become more reliable thanks to the support of other members. Moreover, the groups cannot include more than one member of a same family.

Members can be trusted no matter how poor they are. To make sure that they will fit in the system, members are asked to follow a special training in order to become members of the Bank.

Another interesting feature of the Grameen model is that, despite traditional mentality in Bangladesh, trust is given mainly to women. In rural Bangladesh women are more likely to be poor with respect to men and they have fewer opportunities of moving out of poverty. This is because women in this country have less access to employment and are also paid less with respect to men.

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At the beginnings of Grameen bank, one of the most challenging and radical initiatives was to have an equal gender proportion of borrowers. Initially this was done as an experiment, but with time, experience and insights, the bank has decided to lend its new loans only to women, and 97% of the current loans are in the hands of poor women. As a matter of fact, it has been observed over time that the income earned by female borrowers had more beneficial effects on the wellbeing of children and households in general.

Women are more determined than men to pull their families out of poverty. Thus, Grameen Bank lending would be more effective in alleviating poverty if it focused on increasing women income earning opportunities. Another fact is that poor women live in a condition of insecurity since they have the risk of being rejected by their husband at any moment. For this reason, as soon as women have the possibility of having financial security they take it with greater engagement with respect to men.

Building the poor's trust has been a long and arduous process. The bank management and the staff worked very hard to obtain the borrowers trust in the initial stages, and they are working every day to maintain the relationship. To ensure trust between members and Grameen bank employees, the staff at the branch level is allowed flexibility in making decisions without the approval of their supervisors. Such concept of ensuring trust is what makes the bank different from other microfinance institutions and makes it successful. 🏠







# *On the cultural paradigm*

BY JOSEFA GÓMEZ MORIN, EL COLEGIO DE MÉXICO, MEXICO

The decision I took to come to Bangladesh and learn more about Grameen Bank and its sister social businesses came from a profound unsettling feeling about the situation in my country. Although many social-based projects have been settled there, none (that I know of) has enjoyed the impact that Grameen has had on the Bangladeshi society.

The major queries I looked forward to respond were along the lines of cultural compatibility: to what extent does the cultural structure play an important role on the efficient establishment of social businesses, and mainly micro finance?

In Mexico, some micro finance banks have been established inspired by Nobel Prize winner Grameen Bank. Compartamos, for example, was one of the major projects to promote micro loans and empower the poor. Even though it was tremendously successful, it came with offensive interest rates that were completely deviated from Grameen values, and were severely criticized by Professor Yunus. There are abundant examples of development programs that, in some way or another, result in enormous profits for the people at the top.

Is that profit making mindset cultural and, therefore, unavoidable? Would Compartamos and other projects had thrived with a community and trust based model such as Grameen Bank? I came to Bangladesh to find out, mainly regarding the issue of trust within people and institutions. My goal was to find that silver lining that would provide me with an insight on how to create development programs that were tailored specifically for the Mexican rural community.

From the very first day, I was on the look for particular mindsets or behaviours of Bangladeshi people; something that would help me justify why these projects work here and not there. To my surprise, I found no particular cultural factors, but a very strong sense of community that was fostered by the Grameen model; based less on bureaucracy and more on trust.

Although it is debatable whether trust is a cultural attribute that only some groups can enjoy, my opinion is the opposite. I believe trust is a barrier we create ourselves—in our minds—under an economical structure in which perspective is limited and insecurity is strong, so that people above, below or even on the same level of the socio-economic pyramid are the enemy.



I don't think it is a coincidence that Grameen has worked in all of the countries where it has been established. Even in the United States, with the "most capitalist and self-centered society", Grameen created such an impact in New York City that proved the statement wrong. Trust is inherent in all human beings as long as community values are promoted in which people feel safe to help each other without the fear or incentive to take advantage.

More than 30 countries are enough proof to say that Professor Yunus found a recipe to development that is not unique of countries, races, cultures or regions; trust, empathy, compromise, and understanding of micro credit as a human right.

In the end, I traveled 15,000km to understand that those "cultural barriers" that we try to use to justify the inefficiency of development programs are created in the individual's mind, not the collective cultural one. They affect all projects if we believe in insecurity, fear, and otherness as inherent to societies. However, they can also be tumbled if thought as existent only in a created psyche that takes comfort in an established social structure.

We can only improve if we recognize that deep structural change must be done, and then believe that it is possible. We can either use cultural incompatibility as an excuse for failure or accept that there is a universal human culture that is eagerly looking for prosperity. Once we accept it, we can start from there. 🏠



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# THE INTERNSHIP EXPERIENCE

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# about the internship

BY LAURA LEONE

## **What we expected:**

When we first arrived we didn't know what to expect. We were exposed to an unconventional method of banking and were able to explore an unfamiliar culture. Eager to understand the effectiveness of the Grameen Bank and how it has developed since its establishment, we were excited to gain first hand experiences about the life that members lead. After reading publications by the founder of the bank, Muhammad Yunus, we were interested in understanding how the simple idea of microcredit has been successful in Bangladesh. It is exciting to see how these ideas have been recreated around the world and interesting to see how field offices were able to relate to local individuals, eventually gaining their trust. Above all, we wanted to verify the real impact of the work Grameen Bank has in changing the lives of villagers and their future generations.

## **What we learnt:**

Visiting villages around Bangladesh, conversing with Grameen Bank staff and members, it was interesting to see the disbursement of loans in real life. When talking to the manager of Grameen Trust, we learnt about the many initiatives around the globe attempting to replicate the Grameen model. It was inspiring to meet with social businesses that are attempting to change the world side by side. Companies such as Grameen Danone, managed by the Yunus centre, were examples of products that have affected the lives of millions of children in a positive manner. The most important lesson we learnt at Grameen Bank was that a simple idea can have a great impact. It was astonishing to meet people who have come up with untraditional solutions to one of the biggest threats posed to mankind. Grameen Bank chose to look at people from another point of view, considering them as human beings worth of trust rather than selfish economic agents.

This experience was more than an internship: it was an opportunity to reflect, learn, and discover.



# ***My Grameen Bank experience***

BY REINA BHATKULY, INDIA

**Being born in India, I could never escape witnessing poverty. It was all around me: in my country, in my city and in my neighbourhood. To then come across, Dr. Muhammad Yunus whose life's goal and work has been to eradicate poverty was an idea both intellectually romantic and emotionally moving**

Having read his New York Times bestseller book "Banker to the Poor", I decided to break the shackles of my comfortable 15-year-old life and dive into the interiors of Bangladesh to learn and experience the work of Dr. Yunus at Grameen Bank.

My time at Grameen was stupendous, an experience like no other. I got to learn so much about the functioning of Grameen, the different loans they offer, their savings programs, pension plans, loan insurance, disaster management system and loan default system. When I was there I had the incredible opportunity to visit a lovely village full of hospitable people, Rupganj. This village was an eye opener for me. Despite language being a problem, I learned a lot thanks to my internship coordinator cum interpreter, Harun-Or-Rashid.

Moreover I had the golden chance to see the workings of one centre meeting of Grameen's most profitable branch. I saw the people of Rupganj living in small homes, with barely any space, a situation the developed world would describe as poverty, however, they were very happy with their lives. After the centre meeting, they invited me into their homes and showed me how they lived. They showed me how their homes had grown and how their lives had changed. They told me stories of how they were so poor most of them had to resort to begging but with Grameen their life took a complete turn. It was both an extremely overwhelming and gratifying experience.

Dr. Yunus had just one goal before founding Grameen and after its success too, he has just one goal – to eradicate poverty. But what he has involuntarily taught the world has been remarkable. It opened my eyes to a whole new world and made me want to study human behavior/psychology and economics together.

Grameen's motto has been to learn by doing. I learned from being there:

Grameen created a whole concept of non collateralized lending. Lending to the asset-less and landless. They figured that women do not tend to be willful defaulters and are more savings oriented than men and thus lent only to women. They discovered that peer and social pressure is a powerful behavioral tool that facilitates repayment without any documents. They also learned that groups of people, if have similar motivations of hard work and a desire to uplift their standard of living, can be a remarkable tool to create a virtuous effect on the community they are in. They learned to never lend for a home first but instead to only lend for income generating activities and only when those were successful to consider the borrowers for housing loans.

Involuntarily, Grameen has not just reduced poverty in Bangladesh from upwards of 77% to less than 23%, it has also led to the emancipation of women. The fact that only the women were given loans and loans were only given to those who wanted to work and had a plan of what to do with the money to earn more, flowered women entrepreneurship. More importantly, the fact that women were earning members of their family, gave them greater respectability from their husbands, brothers and even fathers. It allowed women to step out into society and educate their future generations.



I also learned a lot about the innumerable challenges Grameen faced. Apart from learning about them, I learned from them – about the spirit of enterprise, motivation, relentless tenacity and a never say die attitude to fix what appeared an insurmountable problem – to eradicate poverty. Some of it was acute. In the initial years, religious Muslim women would not expose their face to Grameen staff. So at group and centre formation meetings, Grameen employees even held open an umbrella in front of their faces to assure the women that they would not see their faces even by stealth.

The only part I felt they could do a lot more today was in technology. Delivery costs are very high but with data costs falling all over the world, Grameen could easily move to centre managers using hand held devices rather than manual pen and paper. It would improve accuracy and save time of moving paper for data entry to the head office. With the advent of smartphones and low cost feature phones, as well as the remarkable low barrier to entry via second-hand phones (like we have seen in India), Grameen is not far away from mobile payments and digital transfers. I believe the system will pay for itself via productivity gains and accuracy.

Today, Dr. Yunus' vision for Grameen, his goal to eradicate poverty and leave the world lessons on psychology and economics long before the birth of behavioral economics will shape the future of his country and the whole world. From Jobra, a village near Chittagong in Bangladesh to the Nobel Prize, it's been a remarkable journey from which I have learned many academic, practical and life lessons to be a Grameen ambassador. And I am sure one day poverty will leave the face of Earth and be locked away in a museum.

"Poverty in the world is an artificial creation: it doesn't belong to human civilization, and we can change that."-

Professor Muhammad Yunus. 🏠





# testimonials



What stands out most in my mind from this time in Grameen Bank is not despair or hopelessness, but rather a fervor and passion for life and for others. The basic and sometimes less than basic standards of living in the village did not wear down people's spirits but rather brought the community together. The women's resilience, entrepreneurial spirits, and determination to expand their own business to create better lives for themselves and their families sparked in me a real curiosity for the power of social enterprise to create sustainable, community-led impact.

- **Zhouyi Ren, China**

Preparing myself for my internship I did a lot of research on the Internet about the Grameen Bank. Next to numbers, facts and achievements I also discovered criticism about the Grameen Bank system. I thus decided to be very skeptical of what I was going to hear. Over the course of my 4 weeks here, I tried to question everything I learnt, listened closely to borrowers talking about their personal experiences and gradually formed my own opinion.

I now am convinced that although there may be minor flaws or space for improvement, Grameen Bank is a company that really changes people's lives.

- **Thomas Bensch, Austria**



Before arriving in Dhaka, I was curious to see the impact that the Grameen Bank has had on the lives of millions of individuals and communities within rural Bangladesh. I was immediately able to appreciate the simplicity of micro-finance in the alleviation of a threat to mankind- poverty. Furthermore, I strongly believe that the work of the Grameen Bank with regards to women's empowerment in a patriarchal society is a key for the future development of Bangladesh.

- **Tejas Hegde, India**





I could talk about how amazing and inspiring Grameen Bank's work is and how it's been doing so much good to society, not only in Bangladesh but worldwide. But I would actually like to talk about the people who work here, who welcome students from all over the world, time and time again, and do it so well. Grameen Bank's team received me with an open heart, enthusiasm and interest. They made me feel part of the Grameen family! And it was a great surprise to find out that Bangladesh is a great supporter of Brazil's football!

- **Joyce Melo, Brazil**

After having been at the Grameen Bank for 4 weeks, I can really say that it is a role model in the world of microfinance. During the internship, I learnt about social businesses and its development in Bangladesh. This knowledge about financial inclusion that I gained here has given me the desire to apply it towards helping the marginalized people of my country.

- **Mateo Bartolini, Argentina**



I'm very grateful to have had the opportunity to do an internship with Grameen Bank. As someone interested in development economics, this internship was wonderful exposure to one of the most successful antipoverty systems at the moment. On top of all of that, I got a chance to visit my mother country and my family. You can't really ask for much more than that.

- **Raiyan Syed, USA**



The things that I'll always remember about Bangladesh and my Grameen Bank experience are for sure the people's hospitality and kindness. These 3 weeks were a continuous confrontation with new obstacles: Bangladesh can be tough, but once you pull through to overcome them, this country will always know how to reward you by making you stronger and stronger with magical experience. Thank you all.

- **Giacomo Gianola, Italy**



# photo gallery









# THE EDITORIAL TEAM



**Victor Bus**

Hi, I'm originally from Paris and currently studying politics and economics at Bocconi University in Milan.

Studying political Sciences fostered my interest in political and social matters. Coming to Grameen Bank was thus a very good way to learn about the practical aspect of solving social issues. I do not see any miracle solution to poverty. But Grameen Bank makes a real difference on the field and I believe the solutions they offer are good. For me, journalism and communication play a crucial role in today's world and raising awareness about our experience here was necessary and very exciting.



**Tejas Hegde**

Hello! I'm an Indian, born in the United States having grown up in Hong Kong.

I am currently a student in King's College London and am pursuing a BSc in Economics.

I have a passion for developmental economics and would love to work in either the Reserve Bank of India or the Federal Reserve.



**Laura Leone**

My name is Laura Leone, I'm from Italy.

I study Economics and Social Sciences at Bocconi University, in Milan.

In my future I would like to delve deeper in economics and development economics studies and maybe working in NGOs.



**Davide Botticchio**

Hi! My name is Davide Botticchio. I come from Milan, Italy and I am studying Economics at Bocconi University.

I am graduating next year and I want to continue to study Economics. In the future I would like to work in economic research and I would like to travel around the world.

# THE DESIGN TEAM



**Priya Pajel**

I'm from Ottawa, Canada and I will be entering the last year of my Bachelor's degree at McGill University in Montreal this September.

I'm majoring in International Development and have a minor in Social Entrepreneurship, which is why the internship at Grameen Bank was so appealing to me.

It has been a pleasure learning about the inner workings of this great organization and we hope that this magazine gives you a glimpse into our experience here in Dhaka.



**Zhouyi Ren**

I am Zhouyi Ren and I am currently a junior at New York University.

Growing up in China and Canada, I harbored much cosmopolitan awareness and I joined the Grameen Bank to better cultivate my knowledge under diverse cultural settings to gain global insights.



**Pénélope Rascol**

Hi, I come from Paris, France but for the past two years I have been studying politics and economics at Bocconi University in Italy.

Since highschool I have been passionate about Professor Yunus' work. After gaining a better understanding of economic issues at university, I decided to join Grameen Bank. This experience has shown me a more sensitive and on-the-field approach.

My dream would be to join an organization such as the World Bank or an impact finance fund.



**Giacomo Gianola**

I'm a student from Milan, Italy.

I'm currently attending the third year of my undergraduate course of Economics and Social Science (CLESS) at Bocconi University.

Even if my studies are purely economics, my true passion are movies and my dream is to work in the cinema industry and maybe to become a director one day.



# special thanks to

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THE INTERN'S MAGAZINE  
ISSUE 02 - AUGUST 2018