

Muhammad Yunus
WINNERS
of the
NOBEL PEACE
PRIZE
Grameen Bank

Banker TO THE Poor



Micro-lending
and the battle against
world poverty

NEW YORK TIMES BESTSELLER

MUHAMMAD
YUNUS

In 1976, Muhammad Yunus gave a \$27 loan that would ultimately change the way people think about poverty. As founder of Grameen Bank, Yunus pioneered micro-credit, the innovative banking program that provides poor people—mainly women—with small loans they use to launch businesses and lift their families out of poverty. In the past thirty years, micro-credit has spread to every continent and benefited over 100 million families. *Banker to the Poor* tells this inspiring story, and allows us to envision a world where someday, poverty will be history.

Muhammad Yunus was born in Chittagong, a seaport in Bangladesh. The third of fourteen children, he was educated at Dhaka University and was awarded a Fulbright scholarship to study economics at Vanderbilt University. He then served as chairman of the economics department at Chittagong University before devoting his life to providing financial and social services to the poorest of the poor. He is the founder and managing director of Grameen Bank and the author of the bestselling *Banker to the Poor*. Yunus and Grameen Bank are winners of the 2006 Nobel Peace Prize.

Discussion Questions:

1. The whole concept of micro-credit is anchored by the idea that people, especially poor people, are instinctively entrepreneurial. Do you agree with this statement?
2. When Muhammad Yunus visited the stool makers of Jobra, he had an enlightening moment where he realized the extent of their poverty, and how deeply this segment of the population had been overlooked. Have you ever had a similar realization? What experiences or interactions have you had with poor people? Have you ever interacted with the poor?
3. Yunus created Grameen Bank primarily to help women. On p. 72, he says: “I realized that credit given to a woman brings about change faster than when given to a man.” Do you agree with Yunus? What do you think it means financially and emotionally for these women to receive loans from a bank?
4. Yunus often clashes with institutions like the World Bank, which give money to governments to institute programs for alleviating poverty. Do you think one style is more effective than the other? Are both organizations accomplishing their mission?
5. On p. 210, Yunus says “Grameen does not believe in laissez-faire. Grameen believes in social intervention without government getting involved in running businesses or in providing services.” Do you agree? Should the government be involved in alleviating poverty? To what extent?
6. Do you agree with Yunus that welfare is a disincentive to work? Can welfare co-exist with micro-credit programs?
7. Yunus provides several examples of successful micro-credit programs in the United States, but it hasn’t caught on significantly in this country. Why do you think that is the case? What are some of the obstacles for instituting micro-lending in an industrialized nation like the United States?

8. Some people have suggested micro-credit as an answer to alleviating poverty among Hurricane Katrina survivors. Do you think that would work? Discuss a couple of scenarios in which micro-credit could be used to rebuild New Orleans.
9. On p. 221, Yunus says “In Bangladesh, there is no reason why people should remain poor. Our problem is one of management, not lack of resources.” Do you think the same is true in America?
10. Do you believe, like Yunus, that one day, poverty will be relegated to museums? Is it possible to completely eradicate poverty?

How to get involved:

Grameen Foundation supports microfinance programs that enable the poor, mostly women, to lift themselves out of poverty and make better lives for their families. To do this, they partner with a worldwide network of microfinance institutions. Learn more at www.grameenfoundation.org

Grameen America is a microfinance company that serves poor, aspiring entrepreneurs in the United States. Our clients, many of whom are women, are “unbanked”, which means they do not have access to credit from mainstream sources. We provide our clients with loans, savings programs, credit establishment, remittance services, training, and other products that will support their entrepreneurial initiatives. Learn more at www.grameenamerica.com

Project Enterprise was started in 1996 as the only Grameen-style provider of micro-business loans in New York City. Inspired by the success of Grameen Bank, PE’s mission is to support and develop entrepreneurs and small businesses in under-resourced communities around New York City by providing access to business loans, business development services and networking opportunities. Learn more at www.projectenterprise.com

Kiva.org lets you connect with and loan money to unique small businesses in the developing world. By choosing a business on Kiva.org, you can "sponsor a business" and help the world's working poor make great strides towards economic independence. Throughout the course of the loan (usually 6-12 months), you can receive email journal updates from the business you've sponsored. As loans are repaid, you get your loan money back. Learn more at www.kiva.org

Further Reading

Counts, Alex, *Give Us Credit: How Muhammad Yunus' Microlending Revolution is Empowering Women from Bangladesh to Chicago*, Crown, 1996

Bornstein, David, *The Price of a Dream: The Story of the Grameen Bank*, Oxford University Press, 1995
Daley-Harris, Sam, ed., *More Pathways Out of Poverty*, Kumarian Press, 2006
Dowla, Asif, and Barua, Dipal, *The Poor Always Pay Back: The Grameen II Story*, Kumarian Press, 2006
Smith, Phil, and Thurman, Eric, *A Billion Bootstraps: Microcredit, Barefoot Banking, and The Business Solution for Ending Poverty*, McGraw-Hill, 2007
Yunus, Muhammad, *Creating a World Without Poverty: Social Business and the Future of Capitalism*, PublicAffairs, 2008

Creating a World Without Poverty, a new book from Muhammad Yunus

What if you could harness the power of the free market to solve the problems of poverty, hunger, and inequality? To some, it sounds impossible. But Nobel Peace Prize winner Muhammad Yunus is doing exactly that. As founder of Grameen Bank, Yunus pioneered microcredit, the innovative banking program that provides poor people—mainly women—with small loans they use to launch businesses and lift their families out of poverty. In the past thirty years, microcredit has spread to every continent and benefited over 100 million families.

But Yunus remained unsatisfied. Much more could be done, he believed, if the dynamics of capitalism could be applied to humanity's greatest challenges.

Now, in *Creating a World Without Poverty*, Yunus goes beyond microcredit to pioneer the idea of *social business*—a completely new way to use the creative vibrancy of business to tackle social problems from poverty and pollution to inadequate health care and lack of education.

This book describes how Yunus—in partnership with some of the world's most visionary business leaders—has launched the world's first purposely designed social businesses. From collaborating with Danone to produce affordable, nutritious yogurt for malnourished children in Bangladesh to building eyecare hospitals that will save thousands of poor people from blindness, *Creating a World Without Poverty* offers a glimpse of the amazing future Yunus forecasts for a planet transformed by thousands of social businesses. Yunus's "Next Big Idea" offers a pioneering model for nothing less than a new, more humane form of capitalism.