

**GRAMEEN BANK & MICRO-CREDIT: Application and Socio-Cultural impacts.  
STUDY ABROAD COURSE (3 CREDITS) IN BANGLADESH (Summer, 2010)**

**WHAT IS MICRO-CREDIT?**

Extension of very small loans (microloans) to those in poverty, designed to spur entrepreneurship.

**WHAT IS THE GRAMEEN BANK (GB)?**

The most effective and world-renowned micro-credit institution. Recipient of 2006 Nobel Peace Prize.

**DOES THE PHILOSOPHY OF MICRO-CREDIT APPLY IN THE USA?**

Micro-credit programs have been replicated in 58 countries including the United States, Canada, France, The Netherlands, and Norway.

**WHAT WILL BE THE CONTENT OF THIS COURSE?**

Combines Grameen Bank's internship program with other learning activities.

**WHAT ARE THE LEARNING OUTCOMES OF THIS COURSE?**

1. Exposure to Bangladeshi culture, traditions, language, and people.
2. Learn in depth, through field visits, the philosophy and operational procedures of GB (microcredit).
3. Learn about and experience the impact that microcredit has on the economic, social, and cultural life of GB members and the community.
4. Engage students, through the GB international internship program, in a learning experience which includes students from educational institutions all over the world.

**WHERE WILL STUDENTS STAY?**

Dhaka (capital city, Bangladesh) and villages (during field trip/internship in field).

**OTHER MAJOR ACTIVITIES?**

A garments factory tour; visit to a tea garden in Sylhet City (depending on the availability of time).

**WHAT IS THE DURATION OF THE COURSE?**

Four weeks (2<sup>nd</sup> week of July – first week of August).

**WHAT IS THE COST?**

Approximately \$2,800, plus three credit hours tuition.

**FOR MORE INFORMATION**

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## **MORE ON GRAMEEN BANK**

The microcredit philosophy developed from a 1976 experiment in Bangladesh by Dr. Yunus, Professor of Economics. After earning his Ph.D. from Vanderbilt University, Professor Yunus returned to Bangladesh to apply his microcredit philosophy to help the poor population in this underdeveloped country to improve their condition. From his pocket, Professor Yunus lent the equivalent of \$26 to a group of 42 workers. With that small loan, these individuals bought materials for a day's work of weaving chairs or making pots. At the end of their first day as independent business owners, they sold their work and soon after paid back the loan. Thus began the microcredit movement. Professor Yunus replicated the microcredit program in other parts of Bangladesh and found similar positive effects. In October 1983, the microcredit project was transformed into an independent bank (Grameen Bank) by government legislation. Today, Grameen Bank (GB) is owned by the rural poor whom it serves.

**Borrowers of the Bank own 90% of its shares while the remaining 10% are owned by the government.**

One of the distinguishing features of GB is its requirements for borrowers to organize themselves into groups of five; if one borrower in that group defaults, then all are cut off from the loan. The groups meet every week to make loan payments at commercial interest rates and critique one another's business plans. They also pledge to boil their water, keep their families small, and carry out other good health practices. People who repay small loans on time can take out larger ones. Grameen, which now makes a profit, claims a higher repayment rate than traditional banks. One-third of Grameen Bank's two million borrowers have crossed the poverty line and another one-third are close to moving beyond the poverty line (<http://www.grameen-info.org>).

In Bangladesh today, GB 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.**