

Summary



The case study, ' Making Microfinance Work for the Poor: The Grameen Bank of Bangladesh' has discussed the rural banks of Bangladesh which are exemplary examples of successful micro-credit institutions. They have empowered the under privileged segment of the society and significantly helped raise the living standard of the poor. Muhammad Yunus, the Nobel prize winner, was the one who had conceived the idea in 1976 and had provided personal guarantee for the initial loan to the villagers. He believed that lack of access to finance greatly hinders poor people's entrepreneurial potential. His belief had borne fruit. Grameen Banks grew at astounding rate with 2400 branches across 78000 villages across the country. Grameen Bank, is a micro credit institution that is a self financing body. It gives out loan to the self help groups through members' deposits. It helps to provide the poor with the necessary credit to start income generating activity and thereby raise their living standard. The members have to comply with the sixteen components of ' decisions' which contributes to improved socio-economic status of the community. The charter includes hygiene, restructuring of dilapidated house, no dowry, education for children etc. The genuine defaulters are given fresh lease through re-structured loan repayment schedule and if required, more finance to improve business prospects. The timely payment serves as incentive for higher loan amount. The example of Bangladesh micro credit institutions have now been taken up in other under developed countries for poverty alleviation. The concept of phone lady is highly innovative and connects the village with external linkages, while providing the person with cell phone, a profitable means of income generation. The proactive participation of non government agencies

is also encouraged for improving the living standard of the poorest of the poor. Reference