

# [Microfinance](https://assignbuster.com/microfinance-essay-samples/)

Dissertation Topic and Its Rationale Microfinance has been an effective tool in efforts to combat poverty in third world countries such as Bangladesh, Indonesia and the Philippines. In the light of the rising unemployment rates and the lack of any sign of immediate economic recovery for America, a paper tackling the suitability of microfinance as the means to help low-income groups and the homeless families therein would be timely and relevant.
Books have been written, accounts have been told and various awards - including the 2006 Nobel Prize - have been garnered by Prof. Muhammad Yunus, the founder of microfinance. With the establishment of his Grameen Bank, Prof. Yunus has given hope to millions of poor people who never had access to loan services of banks. Having been branded a risky lot by universal banks in general, the poor never had chances of proving that they could be successful entrepreneurs and that they would be worth being trusted with loans despite their inability to produce collaterals.
Microfinance used to be regarded as a concept that is highly illogical and totally unnecessary in robust and industrialized economies like America was. Exploring microfinance was a worthwhile exercise, but it was never a model to be studied in context of the American banking industry. In the light of the economic recession that continues to plague America, the idea of microfinance as the banking methodology that just might help a good number of today's jobless and financially distraught Americans does not anymore sound so far-fetched.
Despite the prevailing economic scarcity in America, however, a lot of questions arise concerning the applicability of microfinance in the country. It is not enough that there is a growing number of poverty-stricken cities at this time; microfinance cannot be offered to such places solely on the basis of the rising economic difficulties therein. There has to be a sufficient degree of compatibility between the Americans as clients and microfinance as a service. There has to be a sort of matching between what Americans need at this time and what microfinance can offer. The answer to these questions might come handy as the country's economic leaders have been trying out one solution after another in search for one that would really work.
This topic would cover the possible micro-enterprises that Americans can get into using proceeds of microfinance loans, the identified sectors that microfinance can cater to and, if applicable, the specific places in the country where microfinance can thrive and can benefit many.
Prof. Yunus has said that while the government must do its part to alleviate the burgeoning economic problems of the citizens of a country, the government alone cannot do all that there is to be done (Yunus 9). There is so much to be accomplished at this time when numerous problems have to be solved. The private sector must help the government in its efforts to send aid to the suffering members of the society. Through it all, microfinance can be an avenue to economic improvement.
Work Cited
Yunus, Muhammad. Creating a World Without Poverty. New York: Perseus Books Group, 2001.