

A pilot project is born essay examples

[Sociology](#), [Population](#)



Poverty is a world phenomenon and affects people from developed and developing nations. Poverty is a problem that has been a stumbling block for development and economic growth in many developing nations. Many governments and banking institutions never succeeded to alleviate the poverty levels the poor faced. This was a top down approach that had failed on several instances as recommended by the IMF. Among the institutions are banks who have tried to give loans to poor people but have not succeeded in alleviating poverty. The banks work with structured policies that are not managed by the poor. Paying large sums of money is difficult for many people (Yunus 61). They delay the payment period and end up not paying the loans. Mohamed Yunus devised the Grameen project that solved the lending problem for the poor. Mohamed approach is a bottom up method that focuses on poor people in their small economic communities.

Mohamed's project segmented the loan repayment period to manageable chunks of a day that the poor man could afford.

The Grameen project followed a different approach from the one used in the banks. This strategy was meant to remove the psychological barrier created by the notion of paying large sums of money. The daily loan payment period was small enough for the comfort of the poor customer (Yunus 62). The project was made accountable by ensuring that the loan was repaid within a year. This was meant to foster accountability and reduce the rate of loan defaults common with banks. The project needed much study and incremental adjustments to ensure that it was operational. The project managers developed a policy to enable the applicants join a like minded group for collective responsibility.

The project faced a number of challenges with the management of the groups. Recruiting women was not easy since most of them could not read nor leave their houses without their husbands. A number of tricks were used to lure women to join the project. This was because women were closely guarded by the purdah rule that forbid women from being seen by other men. A number of measures were introduced to ensure that responsibility and accountability are assured. The bank project succeeded in its objectives of empowering poor people.

The project was implemented in Bangladesh. This is a country that has a big population with minimal resources to cater for the needs of the poor. Some researchers have stated that the people of Bangladesh are poor because of their big population (Yunus 133). Mohamed views the statement as a distraction from the real issue to solve the problem. He believes that empowering the poor is the solution rather than reducing their population. Mohamed suggested that women should be empowered to control population growth in Bangladesh. His based on a UN study that states education delays marriages and reduces population growth rates. The big population of Bangladesh is a major challenge for economic growth. Many banks spent their time doing consultancy work and project reviews but did not help the poor. Banks and other agency's aims are to take over projects and make it their own. This brings a crippling effect to the projects and does not help the poor (Yunus 134). Most projects run by rich donors have the intention of benefiting themselves before alleviating poverty in the project nations (Kamar 37). This is the dilemma that most banks face as they intend

to create credit facilities to the poor. This situation is replicated in many countries who have aid funded projects that do not help the poor.

Works cited

Kumar, Ashwani. Global Civil Society 2009: Poverty and Activism. Los Angeles: SAGE, 2009. Internet resource.

Yunus, Muhammad. Banker to the Poor. New York: PubliAffairs, n. d.. Print.