

Grameen bank

[History](#)



Grameen Bank History and political science February 20, Grameen Bank How do the Grameen Bank and other micro-credit institutions meet peoples' needs in a way

that others often does not?

Like other micro-credit institutions, the Grameen bank focuses on micro-financing which is not done by private banks. The Grameen Bank is a bank for the poor. It was established in 1976 by professor Yunus in order to help poor people because he wanted to unleash the people from loan sharks. It differs from other banks since most of its borrowers are women and Grameen bank's web said that it has a 100% recovery from them. As of October 2011, the bank has 8.449 million borrowers with 2.565 branches in Bangladesh.(Introduction) . The bank said that it has the lowest rate of interest as compared with other private banks. It works like a cooperative wherein borrowers and depositors are owners, and are paid regular dividends. It is different because of the conventional methodology it uses. The bank offers loans without collateral to the poorest of the poor like beggars. Grameen bank stopped getting donations and loans because they deemed that they had enough resources for operation.

Grameen bank started only as an idea of hope, but has grown to a point where it has made a force in alleviating poverty on a national level.

2. The Conflict

Prof. Yunus was prompted to resign from his position because of the Supreme Court ruling that he must retire since he had reach the retirement age already. Yunus is already 70 years old, while retirement age is 60.

Yunus wanted to contest this ruling because prior to the SC ruling he was already willing to resign but under different terms but was not allowed by

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members. He wanted to leave the bank in a prestigious way.

Many believe that the conflict is political because of the “ blood bath” between Yunus and the Prime Minister of Bangladesh for the reason that Yunus planned to start a political party in 2007. Yunus later on, did not continue with the idea, but the hatred had started and because of this, he had gathered powerful enemies.(Epatko, Larisa, March 2011).

Still another conflict that lingered with the bank was after a documentary was aired investigating a Norwegian Aid Funds being transferred from one entity to another in order to preserve bank’s tax exempt status. Eventually, investigation proved that there was no anomaly or fraud in the transaction. (Epatko, Larisa)

3. How does this situation illustrate the potential tension between civil society, NGOs, and government institutions?

The situation illustrates potential tension between the stakeholders of Grameen bank, the civil society and the government because of the government’s attacks that Yunus is trying to evade taxes following the release of the Norwegian documentary (Dhaka, Jan. 6, 2011). Further to this, is the seeming insistence of the government to find faults in the Grameen bank’s operations. The government has just announced that it will conduct an investigation on its operation, In the meantime, his supporters that is composed of the civil society feared of a government takeover and feels they are no longer safe from the chaotic policies of the government (Dhaka).

Epatko, Larisa, a news correspondent of the PBS News Hour thinks that if the government takes control of the bank and begin to cancel the borrowings and favor their political party, the bank may suffer and begin to lose the

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stream of revenues

3. Do you agree with the situation?

Age is something that we cannot procrastinate. Since Prof. Yunus has reached the age of retirement the Supreme Court is correct in its ruling. But I do not agree with the timing of the ruling since it is politically tainted. He should be given honors due to his establishment of this bank. It should be remembered that he painstakingly crafted this bank from a few handfuls who believed in his vision for the poor people, to million borrowers and depositors now. I believe that the situation is political since it wants to put a good man down and the integrity of the bank put into question. Rightly said, it is a question of crab mentality that tries to pull one man rather than letting him go ahead or pursue his dreams. This is a poor reflection of one's personality, and in this case, the opponents of Prof. Yunus in the political arena.

References

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