



# Press Kit

The Grameen Creative Lab  
Professor Muhammad Yunus  
Social Business



## **Contents**

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### **Professor Muhammad Yunus**

Biography

Highlights of Awards and Honours

Membership on Boards of Advisors/Boards of Directors

### **Values of Grameen**

What is social business?

The seven principles of social business

Microcredit as a social business

### **The Grameen Companies**

The Grameen Family of Companies

The Grameen Creative Lab GmbH

Hans Reitz

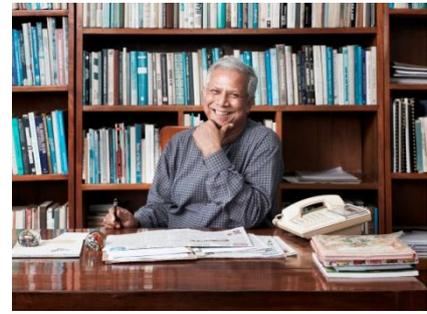
One Pioneer of social business: Grameen Danone

### **Future Outlook**

Prof. Yunus' Vision and Thoughts for the Future

The Future of Social Business

### **Frequently Asked Questions about Microfinance**



## Professor Muhammad Yunus

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### Biography

Since he turned 15 years, Muhammad Yunus has proven to be an extraordinary entrepreneur. He studied economics at the Vanderbilt University, USA, and received his Ph.D. in Economics in 1970. He taught economics in the Middle Tennessee University from 1969 to 1972. Returning to Bangladesh in 1972 after gaining its independence, he joined the University of Chittagong as Head of the Economics Department and tested different projects designed to fight poverty in practice. In 1976 he started the Grameen Bank project, which was transformed into a formal bank in 1983, and founded further 50 companies, which are designed to overcome social problems. Muhammad Yunus is also the founder of The Grameen Creative Lab.

The **Nobel Prize in Peace 2006** was awarded jointly to Muhammad Yunus and Grameen Bank “for their efforts to create economic and social development from below.” Grameen Bank is probably the most extraordinary social business worldwide.

In addition to providing loans to poor people, Prof. Muhammad Yunus devoted his work of the last years to spread and implement his idea of **social business**: a concept for businesses that strive to solve social problems, but are also financially self-sustainable. A social business pays back only its original investment and reinvests its profits in innovations or further growth that advance its social goals.

Muhammad Yunus is also the author of the books “Banker to the Poor” (2003), “A World Without Poverty: Social Business and the Future of Capitalism” (2008), and “Building Social Business” (2010).

Muhammad Yunus was born on 28 June 1940 in the village of Bathua, in Hathazari, Chittagong, the business centre of what was then Eastern Bengal. He was the third of 14 children; five of whom died in infancy. His father was a successful goldsmith who always encouraged his sons to reach for higher education. But his biggest influence was his mother, Sufia Khatun, who always helped any poor who knocked on their door. This inspired him to commit himself to the eradication of poverty.

Muhammad Yunus is married to Afroji Yunus, a professor of physics at Jahangirnagar University, Savar, Dhaka. He has two daughters, Monica and Dina.

More information at <http://www.muhammadyunus.org>.

## Highlights of Awards and Honours

The following are among the many international awards Prof. Yunus has received:

- Nobel Peace Prize (Norway) 2006
- Gold Medal of Honor Award (USA) 2009
- Presidential Medal of Freedom (USA) 2009
- Congressional Gold Medal (USA) (2012)

Ramon Magsaysay Award (1984) from Philippines; Aga Khan Award for Architecture (1989) from Switzerland; Mohamed Shabdeen Award for Science, Socio Economic (1993) from Sri Lanka; World Food Prize (1994) from USA; Simon Bolivar Prize (1996) from Venezuela; Man for Peace Award (1997) from Italy; Prince of Asturias Award for Concord (1998) from Spain; Ozaki (Gakudo) Award (1998) from Japan; Indira Gandhi Award (1998) from India; Sydney Peace Prize (1998) from Australia; Rotary Award for World Understanding (1999) from USA; Golden Pegasus Award (1999) from Italy; Roma Award for Peace and Humanitarian Action (1999) from Italy; King Hussein Humanitarian Leadership Award (2000) from Jordan; International Cooperation Prize Caja de Granada (2001) from Spain; "NAVARRA" International Aid Award (2001) from Spain; Grand Prize of the Fukuoka Asian Culture Prize (2001) from Japan; Mahatma Gandhi Award (2002) from USA; Volvo Environment Prize (2003) from Sweden; Citta di Orvieto Award (2004) from Italy; Nikkei Asia Prize (2004) from Japan; The Economist Award for Social and Economic Innovation (2004) from USA; Golden Cross of the Civil Order of the Social Solidarity (2005) from Spain; Freedom Award (2005) from USA; Prize Il Ponte (2005) from Italy; Foundation of Justice (2005) Award from Valencia, Spain; Neustadt Award (2006) from USA; Global Citizen of the Year Award (2006) from USA; Franklin D. Roosevelt Freedom Award (2006) from Netherlands; ITU World Information Society Award (2006) from Switzerland; Seoul Peace Prize (2006) from Korea; Convivencia (Good Fellowship) of Ceuta Award (2006) from Spain; **Nobel Peace Prize (2006) from Norway**; Disaster Mitigation Award (2006) from India; SHERA BANGALEE Award (2006) from Kolkata, India; Global Trailblazer Award (2007) from USA; ABICC Award For Leadership in Global Trade (2007) from USA; Social Entrepreneur Award (2007) from USA; Global Entrepreneurship Leader Award (2007) from USA; Red Cross Gold Medal (2007) from Spain; Rabindra Nath Tagore Birth Centenary Plaque (2007) from Kolkata, India; EFR-Business Week Award (2007) from Netherlands; Nichols-Chancellor's Medal (2007) from USA; Vision Award (2007) from Germany; BAFI Global Achievement Award (2007) from USA; World Affairs Council Awards (2008) from USA; Global Humanitarian Awards (2008) from USA; Annual Award for Development (2008) from Austria; Bayreuth Leadership Award (2009) from Germany; PICMET Award (2009) from USA; Gold Medal of Honor Award (2009) from USA; Presidential Medal of Freedom (2009) from USA; SolarWorld Einstein Award (2010) from Germany such as many others.

In addition Professor Yunus holds several **honorary degrees of renowned universities** worldwide.

## **Membership on Boards of Advisors/Boards of Directors**

Professor Yunus sits on the boards of many national and international organisations, which include:

- Yunus Foundation, Bangladesh
- United Nations Foundation, USA
- UNESCO, France
- Chirac Foundation, France
- Prince Albert II of Monaco Foundation, Monaco
- Council on Foreign Relations, USA
- Information Technologies and International Development, MIT Media Laboratory, USA
- Mahatma Gandhi Center for Global Non-violence, USA
- The Center For Visionary Leadership, USA
- United Kingdom Social Investment Forum, UK
- Foundation for Entrepreneurship, Germany
- The Global Academy for Social Entrepreneurship, USA
- Schwab Foundation for Social Entrepreneurship, Switzerland
- The Gleitsman Foundation International Activist Award, USA
- Center for International Studies Micro-Credit Program, USA
- International Crisis Group, USA
- Credit for All, Inc., USA
- Asia Society, USA
- Freedom From Hunger, USA
- Women for Women of Bosnia, USA
- Foundation for the Research of Societal Problems, Turkey
- Centre for Mass Education for Science, Bangladesh
- Credit and Savings for Hardcore Poor, (CASHPOR), Malaysia
- ManyOne Foundation, Canada
- Coexist Foundation, UK
- Sing for Hope, USA

## Values of Grameen

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### **What is social business?**

With the idea of social business, Prof. Muhammad Yunus has introduced a new dimension for capitalism: a business model that does not strive to maximize profits but rather to serve humanity's most pressing needs. Thus, the first motive of a social business is not profit, and second, it does not pay its investors dividends. Instead, it aims at solving social problems with products and services at affordable prices, or giving the poor and marginalized people ownership in a business and therefore allows them to share in its profits.

A social business pays back only its original investment and reinvests its profits in innovations or further growth that advance its social goals. Although the social business is pioneering in its aims, it is traditional in its management. Its workforce is professional and paid according to market wages. This type of business may or may not earn profit, but like any other business it must not incur losses in order to be able to sustain itself.

In every sense the social business is sustainable: in its direct environmental impact, its impact down the value chain, and critically, in its financial independence. This is a key difference between social business and charity. Once its initial investment is repaid, the social business aims to be financially self-sustaining, giving it the independence and security to focus its efforts on the long-term improvement of the lives of the disadvantaged.

Thus the social business is a new type of company and "social business entrepreneurs" (SBE) are a new type of entrepreneurs who are not interested in profit-maximisation. They are totally committed to making a difference in the world. They want to give a better chance in life to other people and they want to achieve this objective through creating and supporting sustainable business companies.

Social business follows 7 principles, which serve as its defining elements.

## The seven principles of social business:

1. Business objective will be to overcome poverty, or one or more problems (such as education, health, technology access and environment) which threaten people and society; not profit maximization.
2. Financial and economic sustainability.
3. Investors get back their investment amount only. No dividend is given beyond investment money.
4. When investment amount is paid back, company profit stays with the company for expansion and improvement.
5. Environmentally conscious.
6. Workforce gets market wage with better working conditions.
7. ...do it with joy.

Six Principles of Grameen Social Business

1. Business objective <sup>will be</sup> to overcome poverty, or one or more problems (such as, education, health, technology access, environment, etc) which threaten people and society; not profit maximization.
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3. Investors get back the investment amount only. No dividend is given beyond investment money.
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5. Environmentally conscious
6. Workforce get market wage with better working condition.
7. do it with joy

## **Microcredit as a social business**

“The word "microcredit" did not exist before the seventies. Now it has become a buzzword among development practitioners. In the process, the word has been imputed to mean everything to everybody. No one now is shocked if somebody uses the term "microcredit" to mean agricultural credit, or rural credit, from credit unions, or from moneylenders. [...] Whenever I use the word "microcredit" I actually have in mind the Grameen type of microcredit, or Grameencredit. General features of Grameencredit are:

- It promotes credit as a human right.
- Its mission is to help poor families to overcome poverty. It is targeted at the poor, particularly poor women.
- It is not based on any collateral or legally enforceable contracts. It is based on "trust", not on legal procedures and system. This is the most distinctive feature of Grameencredit.
- It is offered to create self-employment for income-generating activities and housing for the poor, as opposed to consumption.
- It was initiated as a challenge to the conventional banking that rejected the poor by classifying them to be "not creditworthy". Microcredit created its own methodology.
- It provides a service at the doorstep of the poor based on the principle that the people should not go to the bank, the bank should go to the people.
- In order to obtain loans, a borrower must join a group of borrowers.
- All loans are to be paid back in instalments (weekly, or bi-weekly).

Grameen credit is based on the premise that the poor have skills, which remain unutilised or under-utilised. It is categorically not the lack of skills which make poor people poor. Grameen believes that the poor do not create their poverty; the institutions and policies which surround them create it. In order to eliminate poverty all we need is to make appropriate changes to these institutions and policies, and/or create new ones. Grameen believes that charity is not an answer to poverty. It only helps poverty to continue. It creates dependency and takes away the individual's initiative to break through the wall of poverty. The unleashing of energy and creativity in each human being is the answer to poverty.

Grameen brought credit to the poor, women, the illiterate, the people who pleaded that they did not know how to invest money and earn an income. Grameen created a methodology and an institution around the financial needs of the poor, and created access to credit on reasonable terms, enabling the poor to build on their existing skills and earn a better income in each cycle of loans.”

## The Grameen Companies

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### The Grameen Family of Companies

The Grameen Family of Companies is a group of companies which have emerged from the Grameen Bank founded by Nobel Peace Prize Laureate Prof. Muhammad Yunus. They are either social businesses, for-profit, not-for-profit or trusts. Each particular Grameen company may exploit synergies with any other Grameen business, for example several companies may use the same infrastructure. The Grameen Family of Companies is active in very different business areas—from telecommunications to energy to textiles. Here is a list of some of the Grameen companies:

Grameen Bank 1983	Grameen IT Park 2001
Grameen Trust 1989	Grameen Byabosa Bikash 2001
Grameen Krishi (Agriculture) 1991	Grameen Bitek 2002
Grameen Uddog (Enterprise) 1994	Grameen HealthcareTrust 2006
Grameen Fund 1994	Grameen Healthcare Services 2006
Grameen Motsho (Fisheries & Livestock) 1994	Grameen Danone 2006
Grameen Telecom 1995	Grameen Veolia Water 2008
Grameen Shamogree (Products) 1996	Grameen America 2008
Grameen Cybernet 1996	Grameen Health Initiative 2008
Grameen Shakti (Energy) 1996	Grameen Intel 2008
Grameen Phone 1996	Grameen Creative Lab 2008
Grameen Kalyan (Welfare) 1996	BASF Grameen 2009
Grameen Foundation 1997	Grameen Otto Trust 2009
Grameen Shikkha (Education) 1997	Grameen Otto Textile Company 2009
Grameen Communication 1997	Grameen Uniqlo 2010
Grameen Knitwear 1997	Grameen Yukiguni Maitake 2010
Grameen Capital Management 1998	
Grameen Solutions 1999	More to come...

## The Grameen Creative Lab GmbH

The Grameen Creative Lab (GCL) is a social business GmbH, a joint venture between the Yunus Centre in Dhaka (51%) and circ responsibility GmbH & Co. KG in Wiesbaden (49%), founded in 2008 by Nobel Peace Prize laureate Muhammad Yunus and Hans Reitz, serial entrepreneur and creative advisor to the Yunus Centre. GCL is designed to accelerate the social business movement, in collaboration with an international network of talented and dedicated young professionals, entrepreneurs, companies, NGOs, governments, universities and others.

The Grameen Creative Lab is a Social Business in itself that works according to the seven principles of Social Business. The GCL finances itself through the products and services within each pillar:

- **Interact:** GCL publishes books and articles on social business, speak at conferences to cultivate a constant exchange on social business and networks with the community of interest. GCL is also initiator and organizer of the Global Social Business Summit.
- **Incubate:** GCL incubates social businesses on a small scale, initiates and supports academic research in collaboration with partner universities.
- **Create:** GCL consults corporations, the public sector, NGOs, foundations and other institutions on how to set up a social business and supports investors to create Social Business Funds.

GCL sets up social businesses as well. Any profits will be reinvested into further accelerating social business. The Grameen Creative Lab was officially founded in January 2009 as a limited company with its registered seat in Wiesbaden. Both circ responsibility and circ are led as a social business since 31.12.2008.

In September 2011, GCL became a member of the **Clinton Global Initiative** and created a “Commitment to Action” – a concrete plan to address a major global challenge.

More Information at [www.grameencreativelab.com](http://www.grameencreativelab.com)



## Hans Reitz

As Nobel Prize laureate Prof. Muhammad Yunus' creative advisor, Hans Reitz has devoted himself to spreading the idea of "Grameen Social Business" since 2007. He is the Co-founder and Managing Director of The Grameen Creative Lab, which advises various large-scale companies and organizations throughout the world.

Hans Reitz was born in 1966 in Bad Abbach in Bavaria where he grew up. He was driven from a very young age by the quest for experience and change. At the age of 20 he started traveling which led him to many countries, including India where he encountered classical southern Indian music. He has always been interested in art and culture. Within a few years, he established a creative circle and, as culture manager, organized, among others things, a variety of theater and culture projects.

Since 1992 he has supported his friend Reinhold Treitinger in South Indian Kumily/Kerala as he founded "Natural Shakti" (= power of nature), a sustainable farm of natural goods in harmony with the jungle's ecological system.

He founded the event agency "circ" in 1994 and began to continuously develop its fields of activity. Today circ serves such renowned companies as adidas, Autostadt, BASF, Bertelsmann, Caterpillar, E.ON, PriceWaterhouseCoopers, T-Systems, and Volkswagen, for whom the Wiesbaden agency has become a fixed live communication anchor, and was awarded two times as the most creative event agency in Germany.

Hans Reitz is active in many areas and uses his corporate expertise to create synergies. Entrepreneur Hans Reitz has established his radius of operations and his network not only in the world of business, but as he has developed social projects, starting with Wiesbaden, where he now lives, and subsequently throughout the world.

Since late 2008, Hans Reitz has also been speaking at international conferences and has, in addition, led numerous workshops at various universities on social business.

Hans Reitz is also the father of three children.

## **One Pioneer of social business: Grameen Danone**

The Joint Venture Grameen Danone supplies affordable, nutritious food for the poor. The Grameen Group and Groupe Danone, the world's leading company in healthy food products, entered the Joint Venture agreement in March 2006 to form a company called Grameen Danone Foods Ltd. – a social business in Bangladesh.

Through the implementation of a unique community-based business model, Grameen Danone Foods Ltd. provides daily healthy nutrition to low income nutritionally deprived people in Bangladesh. It is also developing innovative and environmentally friendly packaging for its products.

The focus of Grameen Danone is the launching of an easily affordable dairy product (yoghurt) to fulfil the nutritional needs of children in Bangladesh and contribute to their healthy growth by bringing them the benefits of milk and micronutrients that they lack, including vitamins and minerals. Therefore special yoghurt fortified with micronutrients was developed. A single 60g cup provides 30% of a child's daily requirements of vitamin A, iron, zinc and iodine.

In order to maximize the social impact, Grameen and Danone are developing low capital intensity manufacturing options and intend to reinvest the profits of Grameen Danone Foods beyond its cost of capital, and to expand this model throughout the country.

The first factory in Bogra, 230 km north of Dhaka, produced the first yoghurts in February 2007. The 700 square meter plant produces three kinds of yoghurt: classic, multi-fruit and mango. The yoghurt is distributed through shops (where approximately 80% of Grameen Danone sales are made) and through door-to-door sales in rural areas with a network of "sales ladies" who are essentially micro-entrepreneurs and earn an extra income through the sales of the yoghurts. At the end of April 2010 the number of active "Grameen Danone ladies" was more than 800 and their work contributes to improving their living conditions. They benefit from a regular source of income and new social capital related to a formal job. Around 370 micro-farmers around the plant also benefit by selling daily to Grameen Danone at a fixed price without having to go to the market, which improves their income.

The Grameen Danone Joint Venture is planning to build a second production plant in Bangladesh and plans to establish 50 plants by 2020, which will result in several hundred livestock farming and distribution jobs in the local community. Prof. Yunus has also given Grameen Danone the challenge of designing and developing biodegradable cups made from cornstarch, or edible cups.

Professor Yunus, creator of the social business concept, commented about the Grameen Danone Joint Venture: "This represents a unique initiative in creating a social business enterprise, i.e. an enterprise not to maximise

profit, but created with a declared mission to maximise benefits to the people served, without incurring losses. It is a small project to begin with, but contains the seed of a new breed of business that can change the economic world fundamentally. World famous Danone's participation in it, and Danone chairman Franck Riboud's presence in Dhaka, shows very clearly that this is not a fancy idea, but a serious business – a business to make a difference in the world".

Franck Riboud, Chairman and CEO of Groupe Danone, commented: "I'm deeply convinced that our future relies on our ability to explore and invent new business models and new types of business corporations. This partnership with a company as iconic and visionary as the Grameen Bank, is for Danone a huge step in that direction and in better achieving our mission: to bring health through food to the largest number of people."

## Future Outlook

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### Prof. Yunus' Vision and Thoughts for the Future

Extract from Muhammad Yunus' book "Creating a World Without Poverty", pages 225 to 227:

"Let me give a wish list of my dream world that I would like to see emerge by 2050. [...]"

- There will be no poor people, no beggars, no homeless people, no street children anywhere in the world. Every country will have its own poverty museum. [...]
- There will be no passports and no visas for anybody anywhere in the world. All people will be truly global citizens of equal status.
- There will be no war [...], and no nuclear weapons. [...]
- There will be no more incurable diseases, from cancer to AIDS, anywhere in the world. [...] High quality healthcare will be available to everyone. Infant mortality and maternal mortality will be things of the past.
- There will be a global education system accessible to all from anywhere in the world. [...]
- The global economic system will encourage individuals, businesses, and institutions to share their prosperity [...] making income inequality an irrelevant issue. "Unemployment" and "welfare" will be unheard of.
- Social business will be a substantial part of the business world.
- There will be only one global currency. Coins and paper currency will be gone.
- Technology will be available with which all secret bank accounts and transactions of politicians, government officials, business people, intelligence agencies, underworld organizations, and terrorist groups can be easily detected and monitored. [...]
- All people will be committed to maintaining a sustainable lifestyle based on appropriate technologies. Sun, water and wind will be the main sources of power.
- Humans will be able to forecast earthquakes, cyclones, tsunamis, and other natural disasters precisely and in plenty of time to minimize damage and loss of life.
- There will be no discrimination of any kind, whether based on race, colour, religion, gender, sexual orientation, political belief, language, culture, or any other factor.
- There will be no need for paper and therefore no need to cut down trees. [...]
- Basic connectivity will be wireless and nearly costless.
- Everybody will read and hear everything in his own language. Technology will make it possible for a person to speak, read and write in his own language while the listener will hear and the reader will read the message in his own language. Software and gadgets will translate simultaneously as one speaks or downloads any text. [...]
- All cultures, ethnic groups, and religions will flourish to their full beauty and creativity, contributing to the magnificent unified orchestra of human society.
- All people will enjoy an environment of continuous innovation, restructuring of institutions, and revisiting of concepts and ideas.
- All people will share a world of peace, harmony, and friendship devoted to expanding the frontiers of human potential."

## **The Future of Social Business**

Social business is a new kind of business introduced in the market place with the objective of making a difference in the world. As a new concept it naturally has a lot of potential for development. Once social business is recognized in law many more existing companies will come forward to create social businesses in addition to their foundation and corporate social responsibility activities. Many activists from the non-profit sector will also find this an attractive option. Unlike the non-profit sector where one needs to collect donations to keep activities going, a social business is self-sustaining and can create surplus for expansion since it is a non-loss company.

A large number of social and economic problems of the world can be addressed through social businesses – both in the developing and in the developed world. Issues concerning anything from healthcare to financial services to education and sustainable energy consumption can find social business solutions.

Social business is important because it addresses very vital concerns of mankind in a sustainable manner and challenges the existing business norms. In the future many more companies will succeed in meeting both social goals and the personal goals of their investors by engaging in social business. Maybe one day even a social stock exchange will be created.

Social business demonstrates that it is possible to use a sustainable business model for solving social issues. Prof. Yunus' concept is currently gaining momentum and is being recognized by a variety of institutions – companies, universities, entrepreneurs, international organizations, governments, and NGOs.

## Frequently Asked Questions about Microfinance

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### Recent critics say...

#### **...poverty in Bangladesh is still rising despite micro credits**

The only peer reviewed published study of Grameen (i.e. the one that has the highest level of review by academicians) concluded that 5% of Grameen clients come out of poverty each year. Other studies show that the rate is much higher.

#### **...interest rates are exorbitantly high and there is no maximum limit**

According to Grameen Bank's regulations no credit can more than double its size even after a longer period of no repayment. Therefore, Grameen Bank has set itself a voluntary maximum limit. The Bangladeshi Microcredit Regulatory Authority has set a maximum interest rate of 27 %, compared to Grameen Bank this is still higher than its highest interest rate of 20 %.

#### **...reporting of Grameen Bank is intransparent and it publishes falsified repayment rates**

Grameen Bank publishes a monthly financial statement in English as well as in Bangla. KPMG is responsible for the external auditing. All facts and figures are being published on [www.grameen-info.org](http://www.grameen-info.org). In January 2011 Grameen Bank was awarded by the independent organization Microfinance Transparency for excellent transparency: "Grameen has an extremely simple and transparent pricing system,"<sup>1</sup> and a report by the Review Committee appointed by the government to examine the Bank noted that it has the lowest interest rates of any microfinance institution in Bangladesh<sup>2</sup>, with 20% being its top rate.

#### **...Prof. Yunus had to resign as managing director of Grameen Bank**

The Bangladesh government – led by Prime Minister Sheikh Hasina Wajed, who, according to U.S. diplomatic cables recently released by Wikileaks<sup>3</sup>, reportedly has viewed Prof. Yunus as a political rival since he looked into setting up a political party in 2007 – led a campaign to force Prof. Yunus from his post as managing director of Grameen Bank, with the then 77-year-old finance minister, Abdul Maal Abdul Muhith, claiming that the then 70-year-old Yunus was "too old" for his post. At a press conference following release of the documentary the prime minister stepped up the rhetoric, accusing Prof. Yunus of "sucking blood from the poor in the name of poverty

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<sup>1</sup> <http://www.mftransparency.org/pages/category/resources/pricing-certifications/>

<sup>2</sup> [http://www.thedailystar.net/newDesign/latest\\_news.php?nid=29502](http://www.thedailystar.net/newDesign/latest_news.php?nid=29502)

<sup>3</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=201042>

alleviation.” Other officials of her government, including the Foreign Minister, the Agriculture Minister, top Awami League officials and special advisors, made repeated false allegations and personal attacks against Prof. Yunus.

Muhith repeatedly asked for Yunus’s resignation, but Prof. Yunus declined, reminding Muhith that – according to the Grameen Bank Ordinance of 1983 – only the Grameen Bank Board of Directors had the right to hire or fire the managing director, because the Bank is an independent entity. (The Bank’s board comprises 13 people, three of whom – including the chairman – are appointed by the government, with nine being elected by the Bank’s 8.3 million borrower—owners, and the managing director as the remaining member.) The government then stepped up the pressure by appointing a disgruntled ex-employee and vocal critic of Prof. Yunus, Muzammel Huq, as chairman of the Grameen Bank Board in January.

In early March 2011, the Bangladesh Bank (backed by the Finance Ministry) informed Grameen Bank that Prof. Yunus had been acting as managing director without its consent, which it claimed was a violation of its rules. The letter also cited his age as a factor, and called on the Board to take appropriate action. Grameen Bank immediately responded to these allegations<sup>4</sup>, showing that the Bangladesh Bank had given express approval of his appointment, and that his appointment had been extended formally and indefinitely. Prof. Yunus and the nine independent Directors then began a legal process to declare the letter invalid. After the country’s High Court summarily dismissed the petition, the petitioners turned to the Appellate Division of the Supreme Court, which in early May also dismissed the petition, despite well-reasoned and impassioned arguments<sup>5</sup> from Grameen Bank’s attorneys.

Grameen Bank has fully cooperated with a Review Committee set up by the Bangladesh government to examine the Bank’s operations. The Review Committee’s report, submitted to the Finance Ministry in late April, acknowledged that Grameen Bank’s interest rates are the lowest in the country and confirmed that there was no wrongdoing involved in the transfer of Norwegian aid funds. In late 2010, a Norwegian television network aired a documentary called “Caught in Micro Debt” that made a number of false accusations about Prof. Yunus and Grameen Bank. For example, it said that funds received from a Norwegian aid agency, NORAD, were improperly transferred between Grameen Bank and Grameen Kalyan, its non-profit sister organization. This matter was clarified and settled between NORAD and Grameen Bank in 1998. After the documentary aired, Norway promptly investigated the transaction again, and again said there was no improper use of funds. The Committee found no evidence of mismanagement or personal corruption among Grameen Bank employees, complimented Bank staff on their cooperation, and acknowledged the tremendous contributions made by the Bank on the country’s socio-

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<sup>4</sup> [http://grameen.com/index.php?option=com\\_content&task=view&id=960&Itemid=772](http://grameen.com/index.php?option=com_content&task=view&id=960&Itemid=772)

<sup>5</sup> <http://newagebd.com/newspaper1/frontpage/17352.html>

economic condition. However, the Committee's incorrect assumptions that Grameen Bank is a "government bank", along with other incorrect findings, prompted a detailed refutation by Grameen Bank<sup>6</sup>.

On May 12, 2011, Prof. Yunus announced<sup>7</sup> he resigned from his post as managing director of the Bank, handing the position to Deputy Managing Director Nurjahan Begum while the Board conducts a search for a permanent replacement (she has since retired, having reached the Bank of Bangladesh-mandated retirement age, and was replaced in August by Mohammad Shahjahan<sup>8</sup>). In a letter to his colleagues<sup>9</sup> at the Bank, as well as a letter to the Bank's borrower-owners<sup>10</sup>, Prof. Yunus emphasized the importance of maintaining the Bank's independence, which the government is threatening to take over (despite recent encouraging comments<sup>11</sup> from the governor of the Bank of Bangladesh about the positive role that Grameen Bank and microfinance can play in Bangladesh).

The forced retirement of Prof. Yunus and the potential weakening of Grameen Bank have raised serious concerns for the empowerment of women in Bangladesh – and even the safety of Bank employees and directors. There have been multiple instances of harassment, including one instance where an employee union leader was abducted and tortured<sup>12</sup>, as well as allegations of harassment of the women elected to the Board of Directors<sup>13</sup>, who represent the Bank's borrower-owners. Government officials have continued their efforts to discredit Prof. Yunus, with the prime minister even unjustly accusing him<sup>14</sup> of lobbying the World Bank against its funding of the country's \$1.2 billion Padma Bridge project, a charge that Prof. Yunus has denied<sup>15</sup> and that even the Finance Minister has refuted<sup>16</sup>.

Prof. Yunus has worked tirelessly to create other independent social businesses<sup>17</sup> committed to promoting social good, and since his retirement has continued to champion this concept to countries, organizations and leaders around the world. However, it now seems as if the government is now looking to take control of these Grameen enterprises too<sup>18</sup>, though things have been quiet for the past several months. Some have claimed that this is

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<sup>6</sup> [http://grameen.com/index.php?option=com\\_content&task=view&id=1020&Itemid=924](http://grameen.com/index.php?option=com_content&task=view&id=1020&Itemid=924)

<sup>7</sup> [http://grameen.com/index.php?option=com\\_content&task=view&id=1035&Itemid=0](http://grameen.com/index.php?option=com_content&task=view&id=1035&Itemid=0)

<sup>8</sup> [http://www.thedailystar.net/newDesign/latest\\_news.php?nid=31569](http://www.thedailystar.net/newDesign/latest_news.php?nid=31569)

<sup>9</sup> [http://grameen.com/index.php?option=com\\_content&task=view&id=1038&Itemid=0](http://grameen.com/index.php?option=com_content&task=view&id=1038&Itemid=0)

<sup>10</sup> [http://grameen.com/index.php?option=com\\_content&task=view&id=1043&Itemid=0](http://grameen.com/index.php?option=com_content&task=view&id=1043&Itemid=0)

<sup>11</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=200248>

<sup>12</sup> <http://www.google.com/hostednews/afp/article/ALeqM5hiMwlgdkicWIKO1aex8xfE6MMVA?docId=CNG.a740a5ae46d97d889302532f100f898e.531>

<sup>13</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=202163>

<sup>14</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=207403>

<sup>15</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=207522>

<sup>16</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=205999>

<sup>17</sup> <http://www.muhammadyunus.org/Social-Business/social-business/>

<sup>18</sup> <http://www.thedailystar.net/newDesign/news-details.php?nid=207763>

because Sheikh Hasina – whom *The Economist*<sup>19</sup> says “is becoming increasingly autocratic” – is busy consolidating power and building outside alliances, an allegation that has touched a nerve and prompted a strong response from the government<sup>20</sup>.

Throughout this period, a network of supporters inside and outside of Bangladesh – millions of everyday people, as well as well-known politicians, diplomats and business leaders – have contributed their time and effort to protect the reputation<sup>21</sup> of Prof. Yunus and the independence of Grameen Bank. In addition, 3.7 million of Grameen Bank’s borrower-owners signed a petition asking that Prof. Yunus stay involved with the Bank in some capacity.

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<sup>19</sup> <http://www.economist.com/node/21524917>

<sup>20</sup> <http://www.economist.com/blogs/banyan/2011/08/our-article-bangladesh-and-india>

<sup>21</sup> <http://opinionator.blogs.nytimes.com/2011/03/21/microfinance-under-fire/>