

RELEASE IN PART B6

From: Verveer, Melanne S <VerveerMS@state.gov>
Sent: Saturday, August 4, 2012 1:07 PM
To: H
Subject: FW: Serious Threats to Grameen and Noble Prize Winner Muhammed Yunus

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-----Original Message-----

From: Ludwig, Eugene A. [mailto:]
Sent: Saturday, August 04, 2012 10:54 AM
To: Willis, Mark; Robin Golden; Nathan Steinwald; Martin Gruenberg; Steven Harris; Sarah Ludwig; Catherine Bessant; David Vitale; Thomas Curry; Donald Riegler; Robert Post; Christopher Edley; Strobe Talbott; Alice Rivlin; Robert Dugger; Albert Dwoskin; Michael Levy; Alt, Konrad; Matthew Roberts; Verveer, Melanne S; Rudman, Warren; Duberstein, Kenneth; Barnett, Bob; Tabor, Nicholas
Subject: Serious Threats to Grameen and Noble Prize Winner Muhammed Yunus

B6

Dear colleagues,

I'm writing with pressing and dismaying news about Grameen Bank, as you well know -- one of the world's flagship microfinance institutions.

For more than two years, the Bank has been under attack from the Prime Minister of Bangladesh, Sheikh Hasina Wazed. Hasina forced its founder, Professor Muhammed Yunus, into retirement and charged him with slander. Her government formed a special commission with vast, poorly defined authority to dig into Prof. Yunus's other social businesses, such as a mobile phone company that serves impoverished areas of Bangladesh. When the World Bank cancelled a loan to the country, citing evidence of a "high-level corruption conspiracy," the country's finance minister alleged that Yunus had engineered the decision.

As far as I am able to determine the Government's action stems from a combination of concern that Dr. Yunus popularity with the people could cause him to be a political force, perhaps the match that ignites and "Arab Spring" situations and jealousies over his Nobel Prize achievement.

This posturing seemed like a prelude to something worse -- and sure enough, yesterday morning, something worse happened.

Grameen Bank is 97% owned by its borrowers, and nine of its twelve directors are women in poverty with accounts at the Bank. On Thursday, however, Hasina's cabinet stripped the board of its normal authority to appoint the Bank's managing director, and instead gave the ultimate decision to the Bank's government-appointed chairman.

In effect, the government has taken control of the day-to-day management of Grameen Bank.

This should be an outrage for anyone familiar with Grameen, an institution that has done so much for the people of Bangladesh, and has brought the power of microcredit to the world's attention. But it is also chilling for anyone who hopes that poor people can improve their lives under the yoke of autocracy, or that private charity can do good in the darkest corners of the world.

I urge you to contact your colleagues in business, government, and social enterprise. Tell them that, after three decades of working through political turmoil and civil strife, Grameen Bank is being dismantled bit by bit. There is no easy

response to the situation, but with enough minds focused on it, Grameen may yet find a way to continue its fight against poverty.

Please do not hesitate to contact me with any thoughts you might have for ways in which we can be helpful to Dr. Yunus and the women of Grameen and whether you might be willing to join a foundation that I have set up and am personally funding that is dedicated to restoring Grameen bank to its previous leadership

Regards,
Gene

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