

MICROCREDIT: THE EXPERIENCE OF GRAMEEN BANK

Presentation

*Dr. Ruth Cardoso
Brazilian first lady and president of the Community Solidarity Council*

Microfinance constitutes a fundamental aspect of the development of countries that are in the process of economic and social construction. I have observed with much satisfaction the advancements that Brazil has made in this field and I believe that in the near future, we will see even more expansion of this type of activity.

The BNDES has played a pioneering role, creating a specific program and aiding in the training of credit agents as well as the institutional development of microcredit. It is important to note, also, that government institutions and the private sector heard the call of the Community Solidarity Council and have united to find objective ways to overcome the obstacles to the expansion of microcredit in Brazil.

It was in this environment, during the visit of Council of the United Nations Foundation to Brazil, in July of 2000, that we had the opportunity to hear, at the BNDES, the interesting report of the creation and expansion of the Grameen Bank. The facts that the reader will learn in this publication are in themselves very significant, but they acquire an even greater dimension in the account given by the man that dares to expand ideals and turn into reality that which was believed impossible: a bank for the poor.

I'm speaking of Muhammad Yunus, with whom I have the honor of serving with on the Council of the United Nations Foundation, whose name and face will never be forgotten by those who had the opportunity to hear him on that afternoon.

Presentation Speech

*Dr. Francisco Roberto André Gros
President of Brazilian Development Bank*

We would like to welcome all of those present at this seminar by Professor Muhammad Yunus on the interesting experience of Grameen Bank in the microcredit area. I would like to thank him for his presence, as well as Dr. Ruth Cardoso, who is presiding over this seminar, the representative of the United Nations Foundation, and also Dr. Beatriz Azeredo, from the Social Development Division of the BNDES and the organizer of this encounter.

For almost three decades, we have assisted, throughout the world, the development of numerous examples of productive financing initiatives for low-income people, so-called microcredit, to the point that maybe we no longer fully realize its importance and far-reaching aspects of this revolutionary idea, not just in its most evident sense of social justice, but also its opening of the business capacity, which is daily being incorporated into our day-to-day lives.

The Grameen Bank, the creation of Professor Yunus, an innovator who realized the enormous potential of microcredit, has become an incontestable paradigm for the financing of social segments that do not have access to formal lines of credit.

Today, there are many diverse institutions dedicated to providing credit to microentrepreneurs, all sharing the same conviction that this type of operation requires a specific methodology, based on the gradual construction of a relationship of mutual confidence between the lender and his clients.

Opposed to the other countries of Latin America, only in recent years the concept of microcredit has been widely promoted and implemented in Brazil, principally by non-governmental organizations, thus presenting a consistent growth in the segment.

In harmony with the Community Solidarity Council, the BNDES has become deeply involved in this movement and, in this sense, has been participating through two programs that make up the BNDES Microfinance. □

The first of these is the Popular Productive Credit Program, whose objective is the formation of a large network of national microfinance institutions, a new channel of distribution for the resources of the BNDES, as well as other sources, imbued with the fundamental concepts of self-sustainability and growth, under the control of the organizing entity and the private sector.

The actual network is composed of 26 institutions and has issued some 40,000 credits in the first semester of this year, an amount equal to almost R\$ 50 million. It is expected that by the end of the year 2000, the network will have grown to 30 institutions, responsible for around 90,000 operations during the period. These numbers are hardly impressive when compared to an institution the size of Grameen Bank, but they do show an annual growth rate on the order of 45%, which is significantly stimulating.

The second program, the Institutional Development Program, with resources from the Interamerican Development Bank, is part of the conviction that the fundamental question related to microcredit, even before that of the availability of financial resources, is the construction of the institution in a manner which makes viable those fundamentals that I mentioned earlier, which are, permanence, growth and self-sustainability.

In this sense, the BNDES has been active in many diverse forums, contributing to the development of a regulatory standard for microcredit operations. But still, as in the beginning of the Popular Productive Credit Program, the BNDES understood the necessity and invested in the creating of a methodology for the training of credit agents, in other words, those professionals who are capable of interacting with the client in their workplace, who are able to recognize their needs, their singularities, identify their potential. In the same fashion, the BNDES is promoting investments in integrated systems for management information, auditing procedures (operational, financial, accounting and information systems), as well as the development of new technology, like credit scoring, and risk rating.

This group of actions allows Brazil to develop a microfinancing segment. The success of this initiative, in fact, allows for structuring which is much more important than the providing of credit to microentrepreneurs. The target of microcredit for production is of course for other financial services, like credit for construction or housing, life insurance and from there on.

Microcredit technology had clearly demonstrated the viability of offering these services to the low-income segments of the population, as long as we understand how to design the adequate products. And, in this sense, it will be a privilege for all of us to learn from the rich experience of Professor Yunus.

Presentation Speech

*Beatriz Azeredo
Director of Social and Urban Development
Brazilian Development Bank*

Good afternoon to all. I would just like to stress how happy we are and, also, that we take a enormous pleasure in receiving Professor Yunus, and being able to hear a little about this experience that has been emblematic for the entire world. Everyone is aware of the force and vigor of the Grameen Bank as an important instrument of social transformation.

Last year, in conjunction with various Brazilian institutions, I had the opportunity to visit the Grameen Bank, in Bangladesh, and observe it close at hand to see that the Grameen Bank is much more than just an institution that offers credit to low-income entrepreneurial populations.

In fact, credit is an instrument in which one can organize a very strong, community-based network, centralized principally among women and their respective families. A network where the key word is solidarity. In conjunction with microcredit, there also comes an ample offer of services, and through this process comes the possibility to transform an entire society.

Those people who went to Bangladesh had the opportunity to learn, in one of the villages, about a group of women, a united group, a credit group. One could see satisfaction in the appearance of these women, the enormous self-respect, the joy at having discovered the potential of their own transformation, to begin their own businesses, to change their reality.

Speaking with these women, during an entire morning, we had the opportunity to listen to their stories, to confirm the certainty that they believed that their children would have a different future.

In this sense, it is very important to reflect about the Bangladeshi experience. It is very inspiring for us all, who are living a moment when we are constructing a

base of micro-industries in Brazil. In spite of the road already traveled, we need to make a quantum jump like that made by Grameen, increasing the coverage and institutionalization, in ever widening form, the access to these services for the low-income population of our country.

It is important to remember that, despite the great difference between our countries, there is common ground between the Grameen experience and the process that the country is going through with regard to microcredit sector. In the first place, the concept of work incorporates an idea that the poor are not seen as a threat, and the need to establish with them a trusting relationship. And also, an initiative that entails an absolutely innovative form of work, which brings about a cultural change, precipitating positive results, structural changes, but ones that are long term. So, there is a complete set of knowledge related to understanding that there is a learning curve before the desired results can be generated.

This is also one of the lessons to be learned from Grameen Bank. The principle, the basic obligation, with the permanent status of these institutions that we are helping to create, is self-sustainability. This is a gamble, a belief of those of us who are observing the first results. And it is a permanent challenge, beginning with microcredit, to think of other financial services for this low-income population.

These are the motives for my immense happiness, as well as the happiness of the BNDES team that have been working since 1996, beginning with the clearly defined requirements of the Community Solidarity Council for the development of a new channel of distribution of financial resources for the low-income entrepreneurial population. A happiness that is shared by all of those present, institutions that are doing the day-to-day work, universities, banks, municipal governments, all of those who are participating in the cultural change process of this country, showing that it is possible to attend the needs of this population. I am absolutely certain that this will be a learning experience for us all. So, I now give you, Professor Yunus.

Thank you very much. It is such a great honour for me to be here, with all of you and Dr. Ruth. I have been looking forward to this visit. Thank you, Dr. Ruth and Dr. Francisco and Dr. Beatriz for your very generous comments about Grameen Bank and me.

I was very happy when Dr. Beatriz came to Bangladesh with a whole group of people, representing very powerful banks behind them. They had gone through a lot of hardships to visit Bangladeshi villages just to understand what this is all about, what does it mean. And today I am very delighted to meet some of them here in this gathering. We also had a visit from a delegation of deputies headed by a senator. They visited Grameen borrowers in the villages and tried to relate that experience in the context of the initiatives they are taking in the Congress.

I see, in Brazil, a tremendous amount of interest in the subject of poverty. Microcredit is in a way a symbol of focused interest in changing the lives of the people at the very bottom. Microcredit has become synonymous with a hope that maybe we can do something about poverty; maybe in the past we didn't do it right, maybe microcredit would help us unfold the mystery and secrets which we have never been able to explore about poverty. Now, with a new understanding, we can get them out. Now we can unlock them from their situation and bring millions of people out of bondage, out of the misery, indignity. Now we can give them the rightful place in the society.

Dr. Ruth has always been very committed and dedicated to the cause of poverty. I knew about Dr. Ruth even before our contact with Brazil developed. She has joined us some five years back in Paris as our chief guest in one of the events we organised at the Unesco headquarters. Grameen organised a fashion show trying to market Bangladeshi handloom fabric in Europe.

Bangladesh is an amazing place for handloom fabrics. More than a million families in Bangladesh make exquisite fabrics, just by bare hands. But unfortunately, those one million families are extremely poor because they cannot find market for their exquisite fabrics. Centuries back, their forefathers produced muslins, which became such a coveted thing for the royalties in Europe. Europeans wanted to explore the sea route to India, and one of the items they had in mind was muslin. They wanted to find the route to the birthplace of muslin, so that they could bring muslin to Europe and make money. But the descendants of those who made all those exquisite fabrics became the wretched of the earth, for no fault of their own.

All of us read in the textbooks the reasons why people are poor. Repeatedly it is mentioned in the textbooks, by way of explanation, that the people are poor because they do not have skills. I would like to ask the authors of those textbooks that they tell us why these one million families with such a beautiful skill – not just one in the family, everyone in the family – can produce the most beautiful fabric you can think of, but still remain extremely poor. Please, explain how possession of skill guarantees moving out of poverty.

I am very happy that I could come to Brazil for the first time in my life. I am delighted that I could come here with my wife Afrozi, and my daughter Deena. Thanks to Tim and the UN foundation for making this visit possible.

I would like to use the time at my disposal to relate how I got involved in this work. I'll try to narrate the events and how I reached to them. I'll concentrate on how the story progressed, how did I find this as my passion. Was it something I was planning for a long time or something that had happened unexpectedly?

I start my narrative with a disclaimer by saying that I've never intended to be a banker, I've never felt like becoming a banker in my life. This is the wildest thing that happened in my life, that is, to find myself in the role of a banker. I always wanted to be a teacher, and I became a teacher as soon as I came out of the university.

Bangladesh became an independent country, in 1971, after a terrible war. Many, many people lost their lives and a lot of destruction took place in the country. I was teaching in the United States at that time. Like all Bangladeshis, both in Bangladesh and outside Bangladesh, I was trying to draw world attention to the massacre that was happening in Bangladesh and to see if the world can bring an end to that. Once Bangladesh became independent at the end of 1971, I immediately left the United States to go back to Bangladesh to participate in the nation building, trying to put back the country in shape so that we can move on and build a new life for ourselves.

Bangladesh is one of the poorest countries in the world. Henry Kissinger, at the birth of Bangladesh, made a prediction by saying that it was a basket case, there was no chance that it will ever survive. But we did not give up hope and we were in a state of euphoria of having a newly independent country. We thought all our problems would be over. But they were not, euphoria turned into nightmare very soon. We ended up with a famine in Bangladesh in 1974, thousands of people died of hunger. As you walked around you saw people dying on the sidewalks.

If you happen to be teaching Economics right at that time, telling your students how brilliant the theories of Economics are and how all the problems can be solved, you are up for a big shock. When you finish your lecture in the classroom and walk out of the classroom and you see people dying – skeleton-like people in the process of death, not because of any disease, not because of any military campaign, because they just do not have a handful of food to eat, while the rest of the world is moving on.

I blamed myself not learning how to save people from death, how to save people from hunger. And I blamed myself for learning Economics, which cannot make itself useful for the man who is dying of hunger. If a person is dying of disease, I could have blamed the medical science. This is something that Economics is supposed to know – how to help people come out of hunger – so I found my subject totally useless. I thought economics is made up of make-believe stories, nice stories which sound right, but when the chips are down, useless.

I thought I should be getting out of this business and try to be plain, simple human being, and try to be useful to another human being. I felt very confident because nobody can take away that from me. I did not pick it up from textbooks, this is in me. That's precisely what I embarked on doing, next door to the university campus.

The university where I was teaching in Bangladesh is located in the rural area. Therefore, I did not have to go miles to find a village. Actually, the foreign body in that community was the university itself. It didn't belong to the whole surrounding. It's a beautiful posh university, a newly built campus, and as you walk out of the campus line, you are in a traditional poverty-ridden village. I started going around in the village, meeting people, sitting down with them, talking to them. I was trying to identify if there was anything that I could do with them which would help them for the day. I realized that if I have no capacity to solve the problems of one family or one individual, I don't have the capacity to do anything for the whole village. A village is a too big thing for my capacity. I thought I should try to make myself useful to one individual for a day. And this is precisely what I was intending. I was trying to do little things. I felt much easier with myself. This time, it was not my textbooks which were dictating me, it was just the people that I met and me. One thing kept coming back again and again; I kept seeing how people suffered so much because they didn't have the tiny amounts of money they needed. People turned into slaves to the moneylenders because they borrowed that money from moneylenders. I saw very vividly that in the name of lending money, the lender actually converted the borrower into a total slave. He or she worked day and night just to pay off the loan he/she took. Nothing stayed with him except a bare minimum to stay alive. This hit me very hard.

To do something about it I took a student of mine and went around in the village for several days to make a list of people who needed that kind of money and where they found that money. My list had 42 people when it was finished, and the total money all of them together needed was 27 dollars. I couldn't believe that this was real, because at the classroom I was teaching the national development plan, five-year plans, telling students how to invest millions of dollars and billions of dollars to change the economy of the country, improve the income of the poor people and so on. I was never told people suffered not because of millions of dollars, not because of billions of dollars, they were suffering for less than a dollar apiece. That list was real, more real than my textbooks and everything I've learned, because those were the people I've met and I knew their stories.

I didn't know what to do in a situation like that. Before I could decide what I should do, the only thing I thought I must do was take this money out of my pocket and give it to all the 42 people according to the list, and tell them: "These are loans, you can pay me back whenever you are ready; and you get rid of the link with the moneylenders." That was all I was trying to do. I didn't know what I would do next.

The excitement and happiness it brought to all those people raised a very important question in my mind. If you could bring so much happiness, so much

excitement in so many people with such a small amount of money, 27 dollars, why shouldn't you do it more? That question haunted me. I kept thinking how should I do it more, should I give more money from my pocket, I could still give more money. Would it be the right thing to do, or would it be only an emotional thing to do? I was trying to avoid any emotional response. These were situations of extreme emotions, but I thought, "Emotions won't help me, I must find something which works, I must find something which can be brought in an institutional framework."

After a lot of thinking, I thought that banks should lend the money. Why should I lend the money? I made up my mind – I should go and get the bank to give the money. It made perfect sense to me. After all, a bank is an institution which is in the business of lending money, and those are the people who needed that money. I should link them up. Probably they don't know that banks lend money, or the banks don't know, like I didn't know, that people suffer for lack of access to tiny amounts of money. I thought I would introduce them to each other.

I went to see the bank manager of the bank located in the campus. As I suggested him to lend money to the poor people in the village, he literally fell from the sky. He couldn't even believe that I proposed that. He thought I was crazy. How can a bank lend money to the poor people? I said, "What's wrong with that?" He said poor people are not creditworthy! I asked, "How do you know they are not creditworthy?" He got puzzled and answered: "Everybody knows they are not creditworthy, how come you don't know?" I continued: "I'm sorry, I'm not in the business, I've never heard of these things. Tell me how do you come to the conclusion that they are not creditworthy?" He answered it was very simple. They are hungry, you give the money, they will eat it. They will never be able to pay it back. It doesn't need any smart guy to understand that.

I insisted, "But it still doesn't make sense to me. If they are borrowing from the moneylenders at terrible, terrible conditions, and paying them back, why shouldn't they pay you back, which is much easier?" He said: "No, no, poor people will never pay back, they will just eat up the money." We could not resolve that question. It went on and on. I went to meet senior officials in the banking hierarchy in Bangladesh. Everybody told me the same thing. Finally, I found a way to tackle this banking problem with a banking proposition. I said: "I'll become the guarantor and you give the money. You are worried about the risk, I'll take the risk."

That proposition took six months in negotiation, in writing proposals, answering questions from bank's head office in Dhaka, which is the capital city of the country, and I was in Chittagong, which is another city. However, finally, it was resolved. But they put a cap on how much money I can borrow with my signature as a guarantor. They put US\$ 300 as the maximum. That was, in their estimate, probably, the net worth of a professor teaching in the university.

I agreed. If that's what it is, that's what it is. I will go ahead because people are asking for only one-dollar, two-dollar loans, so that's good enough for me. This was the beginning. I took the money from the bank and gave it to the people in the

village. But the bank manager said that this was the last time I was going to see my money because that money is not going to come back. Luckily, every penny came back. And that changed everything. I was so delighted. I told the manager: "Look, money came back!" He said that the money came back because I was doing it in one village. One professor can do all kinds of miracles in one village. But the miracle ends when you cross the border of the village. If you do it in two villages, it will never work. I thought, "Maybe he is right. Maybe it won't work if I expand it. Why don't I find out?"

So I did it in two villages. Again, it worked. Then he said that one village and two villages are about the same thing and that he really meant several villages. I asked: "How many?" He said, "Maybe five." So I went ahead and did it over five villages. Every penny came back. And he said, "Maybe ten." Then it became a game between the manager of the bank and me. Every time I was successful he raised the number; from ten to twenty, to fifty, to hundred. When I had done it over all these hundred villages and still he did not change his mind, I realized that if I do it for the whole world he would not change his mind; because his mind was already made. Somebody had engraved in his mind that poor are not creditworthy. No matter what he saw around him it wouldn't register. To him, poor were not creditworthy, as simple as that.

Since I could not change his mind a question came to my mind. Why am I trying to convince him? Who is he? Why must I change his mind? I didn't know anything in the beginning. Now I know that poor are creditworthy. If anybody in the world now tells me that the poor are not creditworthy I can stand up, I can scream, I can shout, I can tell them that this is a lie. This is not true. I don't need anybody's permission, anybody's approval to know that anymore, because I know it from my own experience.

I thought I should have a separate bank which would do exactly what I wanted to do. So I went to the government to get permission to set up a bank. Government laughed at me. They said, "Are you crazy? We have enough of trouble giving money to the rich people. They don't pay back. You want to create more problem giving money to the poor people?" I said, "But the poor pay back." They added that the poor pay back today but the moment it will become a bank they will never pay back. Look at all our banks, giving money to the richest people, but they don't pay back. I argued and argued, I went around trying to persuade, to give them all the evidences that we had. Finally they said, "Yes, we agree that you get your money back. But we are saying that the moment you make it a bank, things will change." I asked them a chance to at least find out.

Finally, after two years of running around, I got the permission. We became a bank in 1983, and that was the beginning of our new life. We felt so happy that we can decide how we want to do things. And we decided things in our own way.

We expanded and expanded. Now we work in 40,000 villages of Bangladesh, moving from one village in 1976. We give loans to 2.4 million borrowers, 95% of them are women. When they join Grameen Bank, they are very, very poor people,

poor women. The usual loan they ask in the beginning is something like \$30, \$35. And that money is so big for them! Literally, when you put this money in the hand of a woman who just joined Grameen Bank, she trembles, she shakes, and she can't believe that such an enormous amount of money has been put in her hands. Tears roll down her eyes because nobody trusted her for a penny; now, today, this bank here gives her this enormous amount of money. And she promises to herself that she will commit everything she got, to make sure that the trust in her is kept.

She literally does that. Grameen Bank loans are paid in equal weekly installments over a period of one year. Her first week is a big, big tension because she is not sure she can make it. Every penny she earns she holds on to it, so that she has enough to pay the installment for the week. When she makes her first installment payment, that is a tremendous success for her. For a woman who never saw success in her life, this is a thrilling experience. Then the second week comes. Am I going to make it? Again she works very hard to make sure she pays the second installment without trouble. As each goes by, she feels the excitement of being successful. When she finally makes her last payment at the end of a year, when it will be all complete, all paid out, it is a tremendous sensation. She feels like she can conquer the whole world.

All along, everybody told her she is nobody, she is useless, and that she has no capacity to do it. Today, she feels she is somebody, she can take care of herself, she has done things which she never thought she could do. That little money that she took was not just an economic intervention, it was the beginning of a process of transformation of a human being, a person who never thought she had any worth in herself. Now, all of a sudden, she discovers a little crack in the crust around her and finds out she has something. That process of opening up is what the microcredit is all about. It's not the amount of money, it's not what we have organised around it, it is what people explore in themselves. It is discovering one's own worth, one's own capacity to make things happen in her or his way.

People ask me how did we find those rules that made out Grameen Bank. We created lots of rules. Each came for its own reason and circumstances. If some rule did not work, we changed it and we tried something else. I didn't know how to answer that question, because we had no theory behind it, we just worked it out. But this question kept coming so repeatedly, I finally came up with an answer, and that answer I enjoy repeating.

Now I say, it was simple for us. Whenever we had a question in mind, we just looked at the conventional banks. How do they do it? And then, we just do the reverse! By doing that every time, we finally got Grameen Bank.

I say this because, perhaps, that's what we did. Conventional banks start with the principle: the more you have the more you can get. That is basically what conventional banking is all about. They are always looking for how much wealth you've got, so that they can give you more. The more you have, the more you get; and you become richer and richer. Conventional banks are chasing the ones at the

top, providing them the springboard to go higher and higher. In the process, they are moving away from the bottom.

We reversed that principle saying: the less you have, the higher priority you get. If you have nothing, you get the highest priority. If you are coming up with the intention of giving credit to the poor people, that's the only way you can do it. If you are looking for "something" in them, then you are not looking for poor people, that's for sure. First, make yourself very clear that you are looking for people who do not have anything, and that you want to do business with them. How do you do business with them? Figure that out, that's your business. But that's the aim, that's the objective that you've started out with. Don't move away from that.

We did exactly that. If you are borrowing money from the conventional banks, you have to explain how good the project is and how experienced you are in that business, everything is known to you, you know the ins and outs, everything is in your fingertips to convince them. What our borrower does in Grameen Bank is quite different. She pleads with us, "Please, don't give me money. I don't know anything about money. I never touched money in my life. It's a scary thing to have money, please give the money to my husband, he handles some money, but I've never handled any money." In response we keep saying, "Please, think about it, you will come up with something. If you come up with something, come and talk to us, we have the money, we will give it to you. Think of something." Their reply is: "Oh, no, we don't know anything."

In the beginning, I had session after session with groups of women, all pleading that they don't know how to use money, they don't know anything which will bring an income. It's a very frustrating experience. Here you are looking at human beings sitting there, pleading that they don't know any way how they can use money.

I'll mention here one discussion, probably as a symbolic illustration to hit the point. I think, "Let me talk to them, I don't understand why they said they don't know anything." And I talked to them. It is very difficult to talk to women in a Bangladeshi village, they wouldn't talk to a man. They are all hiding their faces and whispering to each other, but they do not talk directly to you. I tried to kind of warm them up, tried to make them feel easy with me, made a little joke with them, and so on. Finally, we started talking. They said the same thing all over again. I said, "I agree, you don't know anything and I will not ask this question any more. Let me just go to something else. Is there anybody who cooks food?" Everybody laughed, all raised hands. "Of course, women cook." I said, "But you told me a few minutes back that you don't know anything, you know something, you cook." They laughed, "But that is not the same thing, all women cook. You said you want us to do business, that's not business." I said, "Yes, that's not business, but you know something."

Then I asked, "Is there anyone who cooks very well? Everybody wants to eat the food cooked by her, maybe a special dish." And everybody looked around and pointed to one or the other among them: "Oh! She cooks very good food, she makes this dish very well, you should taste it! Oh, she makes this great cake." So I

got four or five people with exceptional ability of making special foods. I said: "Several of you make food and very special ones; if you cook this dish, can you take it to the market and sell it?" Everybody answered it was not possible. I said, "Why not?" "Because you cannot sell food, you just give it to people to eat, you eat and you entertain your friends." So I said, "Ok, then, I understand what you mean." And then I said, "Do your husbands bring sweets for yourself or your children from the market? What kind of sweets he brings?" They got busy giving me a list of what kind of sweets their husbands bring when they come home from the market, doing the shopping for the family. Everybody said their husbands bring sweets and snacks. I said, "These sweets were made by somebody somewhere?" "Yes." "And your husbands bought them from the market? So, food can be sold." They said, "Yes, but these were made for the market." I said, "That is what I am saying, making for the market."

"Do you raise chicken? Do you have chicken in your family?" Every Bangladeshi family, no matter how poor you are, raises some chickens, four chickens or five chickens and more. This is a way of life for them. So, everybody raises hand, "Yes, I have four chickens, five, ten or twenty." I said, "That is good, you have chickens." To one who had five I said, "Would you like to have ten?" "Yes, I would like to have ten." "Then why don't you have ten?" She said, "Because I don't have money." I said, "This is what we are talking about, we have the money. I give you the money, you raise ten chicken and you sell them, you do whatever and you pay me back." "Ah! But that's not how business is done!" And I said, "That's exactly how business is done."

So, you go on. And in one meeting you find out a whole long list of what they already know and are very familiar with. The reason why I'm mentioning this story is that most often the poor are dismissed by saying that they don't know anything, they don't have the capacity, they don't have the skill. I've just mentioned about the skill paradox in connection with the handloom fabrics. Capabilities are there but we don't want to recognise them. It's almost like oil exploration. When you and me look at any soil, it is just plain soil, nothing more, nothing exciting about it. But somebody who knows about oil makes a test here and a test there and says, "There is lot of oil underneath." A person himself/herself may say, "I don't know anything" while inside of that person there's a big treasure maybe waiting; all we need to do is just unlock, open it up, and little credit helps that unlocking mechanism. That's what microcredit is about.

Along the way, we see people making lots of different kinds of assumptions about what can be done, what cannot be done. Can the poor people market their products, can an illiterate woman know how to handle money, can she keep track of money, will it work? But with repeated work we have demonstrated for ourselves that these are all minor questions. When people see something is working, they go ahead and do it and excel in that.

Let me give a similar example in a very different situation. We got involved with the crazy idea of setting up a cellular telephone company. And we succeeded in

getting a license in the country for setting up a cellular telephone company called Grameen Phone. We explained in our project proposal what we are going to do. We want to bring mobile telephones to the villages and give it to the poor women, poor Grameen borrowers. These will be financed by Grameen Bank. The borrower doesn't have to have any money of her own to pay for the phone. With this phone she becomes the telephone lady of the village and starts selling the telephone service in the village and makes money.

Everybody said, "Well you are in the business of banking, that's a worthy thing. Ok, stay with that. You don't know anything about telephone, this is not going to work." I said, "Why not?" The first question they asked me: "Who is she going to call?" I said, "Well, I didn't think that way. She's not going to call anybody, other people will make calls with her phone. She's almost like a public call office. If you need to call somebody, you come to her, pay her and you make calls, domestic, international, whichever you want."

Then the next question came, "Well, who needs telephone services in the Bangladeshi villages? There's no way anybody will spend money to make telephone calls. It's too expensive." I said, "Yes, but there are many occasions everyday when villagers need to tell something to somebody, get some information, give messages to somebody." I gave an example which everybody understood: our wedding ceremonies. No matter which level of the society you belong to, when the wedding of your daughter or your son comes around, you have to invite lots of your relatives, lots of your friends. Our tradition requires that some important member of the family must physically go to invite the guests. Just sending an invitation letter is an insult. It is wiser not to invite rather than send an invitation letter by mail. You at least avoid insulting the person. If you have access to a telephone all you need to have is a list of invitees. The senior member of the family, grandfather or grandmother or whoever is alive, can start talking to the clan members. It is as good as going there and inviting. So you save lot of trouble because you have to travel to lot of places just to deliver the invitation letters. You would also save a lot of money. In the process, the telephone lady would be making a lot of money.

Third question was, "How can this illiterate woman you are talking about push those buttons on the telephone, because she doesn't know the numbers." I said, "I thought about that, that is a very simple thing. If pushing those buttons brings money, she'll learn it fast. Luckily there are only ten numbers in the world. You give them ten minutes, they will learn all ten numbers. If you are not happy with that answer, allow ten hours; but I can tell you, if those ten numbers bring money, they will learn all of them very quickly, no matter how illiterate she is."

When Grameen Phone started its business, people everywhere responded very positively. Telephone ladies started making a lot of money, more than what we ever expected. I visited the villages just to meet them and share their experiences, problems, and excitements.

I sat down with some of these telephone ladies from several villages and spent the whole day discussing their problems and their ideas. I gradually raised this question, "Can you really dial these numbers when your clients come in? The rule in this business is that the number must be dialed by the telephone lady herself and should not be given to the client, because you wouldn't know where the client would be dialing. Maybe the client is making a long-distance call, you don't know. So, you must be dialing the number yourself." They said, "Yes, no problem, we can do that." Then one said, "Why don't you give me a number and let me dial it for you." I could see that she was very confident, she had no problem doing that. I said, "Ok, I got it, you can do it." Then, one lady from the corner stands up and says, "You did not give her a number, she wanted to dial a number for you. You must give me a number and then blindfold me, I'll dial the number. If it's not correct the first time you can take my handset back." I was astounded! I wish all those intellectuals in Dhaka, who were questioning the ability of these women, should be here now to meet these confident women!

We think about the poor people and their ability in the wrong way. The issue that I always make: there is no difference in the ability of the poorest person and the ability of the person sitting in this beautiful conference hall or any such place. Simply they never got the opportunity to bring out their ability, while we did. That's the only difference. If they get the opportunity, they can change their own lives.

Governments try to help the poor people by giving them something, giving welfare benefits, and giving handouts. I have been arguing that handouts don't help poor people. Handouts freeze the poverty situation because it doesn't bring out the ability in the person. You just remain what you are, you never challenge yourself, you never find out what you have. Government must help a person to take his/her own responsibility. That's the way to help unfold a person's ability. Human beings thrive on challenges. We must design society so that there are challenges in every corner. Each time one succeeds in overcoming a challenge, one feels more confident, and feels prepared to take on the next challenge. If we don't do that, we are making a society which is uncreative, which cannot exploit its own ability and worth.

Keeping poor people on permanent charity is like creating a human zoo. You feed them and take care of them, but you take away their essential human quality, their creativity and human dignity. It is the creativity and human dignity which distinguish human beings from all other animals. If you take these away, very little human quality is left in them. Microcredit is one symbolic way of providing that. Microcredit is a tool to get creativity started. Some people tell me, "Well, you make tall claims, you say microcredit can eliminate poverty." I never said that microcredit will eliminate poverty. All I am saying, you keep doing everything else you are doing for eliminating poverty, but don't forget microcredit. If you bring microcredit into the picture everything else becomes much more effective. Because with microcredit you bring creativity and responsibility.

We could bring mobile phone to the poor women in Bangladesh because we had the microcredit from Grameen Bank for the telephone ladies. Otherwise, no way you could bring those telephones in the hands of the poor women. I see enormous power of Information Technology in helping people get out of poverty. Telephone lady is an example. Information Technology and microcredit have an enormous synergy.

I am drawing attention to the fact that Information Technology has the power to transform all economies, all societies into new economies and new societies. Societies which were languishing, which were sleeping away, dozing away their lives, can all of a sudden become very energized, and transform themselves almost overnight. If we really design this Information Technology in an appropriate way, bring it to the doorsteps of the poor people.

Imagine this telephone lady who is now selling the telephone service in the villages and doing it very well. Tomorrow she'll be selling Internet services because the Internet-enabled telephones are just making it happen. With Internet facilities, you can do anything you want. You want to bring health services, education services, you want creation of new opportunities of businesses, all will be possible. Next generation of Grameen Bank people would grow up with that kind of facilities, and they won't have to go through the same ordeal as their parents had to go through. They will be more prepared to play their roles effectively in changing their own lives.

We have created Grameen Communications, Grameen Software, Grameen Computer Training Programs. We are hoping that the children of Grameen families will be good at e-businesses. If you can just design web sites, and if you are good at it, you can have enormous business for yourself. You can do it from your village home because distance and location do not mean anything anymore.

And there are many, many types of services which can be provided by the poor in Bangladesh to the rest of the world. When I go to cities like Rio or New York, I see all the security monitors sitting on the security desks of big buildings or houses, watching over to see if any breach in security occurs, and I say to myself those monitors could be located in a Bangladeshi village. The entire family would be looking after these monitors so that these houses or buildings are safe. People in Rio or New York would spend less and the poor in Bangladesh would make decent income. Because distances are meaningless, because with the push of a button the girl in the Bangladeshi village can call up any police station anywhere, if that is what is needed. We'll guarantee you that your house or your building will remain safe.

All these are possible because of the Information Technology. If we can open up the credit facilities, if we can bring Information Technology, the ability, the creativity of the people will soon take over and open up many, many things that we have not even dreamt about before. It is not mere extension of the conventional banking, as some people think. We are not talking about taking conventional banks two or three steps down to reach out to some of unreachably poor people. We are talking

about a new kind of banking. It is about banking with people, it is putting people first; it is not the money we are counting. Some people say, "Oh, can we make money by this?" Well, that is not how I thought. All I was thinking, can we cover our cost? If we cover our cost, fantastic. Why do you think about making money? I am not discouraging you, if you want to make money, do it, go ahead, but there are a lot of people who would be delighted to do it just for covering costs, unleashing the energy of all those people and making it happen. That's the important thing. Even covering costs in year one, that's not the objective. We can have some patience.

In the microcredit summits we talked about two objectives: one, reaching the poorest, this is a non-negotiable objective. Microcredit got into lots of different interpretations. We keep reminding everybody, credit which goes to the poorest without collateral and preferably to the poorest women for income generating activities, that is what we call microcredit.

The second condition that we put is that microcredit program should be sustainable. Sustainability is a directional goal, meaning that we don't have to be sustainable in the year one. You cannot be sustainable on year one because you have just begun. It will take time to go to the sustainability level, gradually you bring the gap between the cost and revenue closer and closer. One day, the gap disappears. That's when you come to the sustainability level. But many of the programs are trying to become sustainable on day one and as a result, moving away from the poor people.

That's what I would like to draw your attention to. If you put everything together it's a fantastically durable thing. We may make mistakes because we are exploring a new area. Don't get upset about making mistakes. If you keep at it, ultimately it has to happen, and it will happen. You would be delighted if you can establish credit facility for the poorest. Soon you'll see that many other things now fit into the place very neatly. Things that don't click or don't jell now will start clicking and jelling. If you take the ability of a person and support it through financing it, many other things can start happening. That's what our experience in Grameen is. I am very delighted that Brazil has been taking a lot of interest in the subject and I hope Brazil can lead the way.

When we were trying to set up Grameen Bank we felt the need for a legal framework. It is so overwhelmingly important. We had to struggle very hard. I mentioned in my story how I went to the government seeking permission to become a bank. But when finally the government agreed to consider giving us the permission, they asked us to set up the bank under the existing Banking Companies Act. We said, "No way, this bank must not be created under the existing Banking Companies Act." The reason was very simple and we explained it to them: if we create our bank under that Act, no matter what we intended to do, that Act will gradually shape us into a conventional bank. We want to run away from the conventional banks, you are forcing us to become one. We don't want to be a conventional bank. So we refused. As a result it took longer time to become a

bank of the kind we wanted to be. We insisted, if you allow us to create Grameen Bank you have to create a new legal framework.

Grameen Bank was finally set up with a new legislation. Without that piece of legislation, Grameen Bank could not have been created the way it is today. When people now come and tell me that they are pushing their banks to give microcredits, I say, “you are doing a wonderful job, please keep doing it, but it will not get very far.” You cannot get oranges out of a mango tree. These are two different fruits. I give the following example, (I hope I am not sounding rude to the conventional bankers who are here), I keep repeating that although both of us call our organizations as “banks”, it is almost calling European football and American football as the same game. The name football is common to both, but they are very different games. If you try to run the American football with the rules of the European football, you know better than me what would happen.

This is precisely what my point is: you need to have the legal framework. We are inviting NGOs to come in and do the microcredit. We are also telling what the conventional banks can do, because they have to play a role, they have huge, big financial power. This should not be kept outside of microcredit. They can create a fund, a wholesale fund called Microcredit Fund. They can put their money into this fund and let microcredit programmes that are doing microcredit borrow from that Microcredit Wholesale Fund for doing the retailing. Retailing should be done by somebody else who knows the business and who has created a structure for it.

Grameen Bank is also a savings program. We don't talk much about the savings program because we get so much involved in talking about credit. That was what didn't exist. But the savings from Grameen Bank could make the borrowers of Grameen Bank as the owners of Grameen Bank. Grameen Bank is owned by the borrowers; that aspect also should not be forgotten. This is not a bank owned by some rich people. It is a complete circle: they are the owners, they are the people who get the benefits out of it. That could happen because of the savings program.

In Bangladesh, (I am sure as everywhere else) accepting savings by NGOs is an illegal activity, because they don't have any license to do that. Law requires, if you are taking savings, a license. This requirement is so out of place for microcredit. These laws are century-old. New things cannot happen because old laws keep things old-fashioned. Lawmakers are so slow to make laws to fit the need of the fast-changing world.

The word “microcredit” didn't exist some 25 years back. Today it is pretty known word. Whole new literature has grown around it. We may have different interpretations of the word, but it has created a new subject. We need a new law to guide it, to support it. It's a financial subject, so we have to have financial rules. We must create some legislation enabling microcredit institutions to take savings. If we don't do that, then we're not recognizing microcredit as a subject. We're not accepting, as a society, the strength of microcredit in changing people's lives. We need appropriate supportive legislation.

When a poor person sells something on the sidewalk, police comes and arrests him, because he is not supposed to sell things on the sidewalk. It is illegal. You need licenses. And getting license, you know better than me, what amount of trouble you get into. You exhaust yourself in trying to get a license. At one point you give up and say, "I'd better not sell anything," because this licensing and handling of police is such an enormous expense. It drains you out financially and physically.

So, this is another aspect. If we want poor people to survive why can't we block some city roads on weekends, or special days, special hours, and announce that this is for public to sell, microentrepreneurs to come and do their business here. These roads can be dedicated to help them. If we are interested in their welfare, in their improvement, we have to create such laws, such customs, such rules.

Laws are very important. Creating microcredit legislation is very important. But, while I emphasize the importance of it, I remind very quickly: Don't rush to create that law. Wait until you've understood what law you want to make. Wait until you understand what is microcredit. If you are making a law now probably you'll hire a legal consultant with expertise in banking law. But the law you'll get from him will make sure microcredit never gets off the ground in your country. Before you make law for something you must understand what this is all about.

If you look at Grameen Bank, sooner or later you come to the subject of something called "The 16 Decisions." And it's basically a social charter. Each one of these decisions is important in their life. We can discuss how they implement it, how seriously they take it. One decision among the 16 says: We shall send our children to school and make sure they stay in school. Today, after 24 years, I think I can assure you that almost 100% of Grameen children are in school. In a country where most of the children of poor families do not go to school this is an achievement of very high order. Grameen children are in school, they stay in school, and the resolve came from one of those 16 decisions.

Three years back we made a survey to find out what was the situation of education of the children of Grameen families. We were surprised, very pleasantly surprised. Not only all of them are in schools, many of them have graduated from high schools, which was beyond our expectation. All we were expecting that maybe they would graduate from primary school. No, many, many of them graduated from high school, many are in colleges, and we found some of them in medical schools, engineering schools, universities. We were so excited by this outcome, we immediately introduced another loan package, education loan for higher education. Now, for all Grameen students at any institution of higher learning, the entire expenses are financed by Grameen Bank. No question asked. All they have to do is to sign an undertaking that when they go into professional life they'll pay back the loan. Now you can get a feel of the impact of one of the 16 decisions.

Grameen plays some role also in the political dimension of the lives of its borrowers. We make sure 100% of the Grameen borrowers' family members vote

in every national election. This is not done by somebody going and hitting them over their heads. It's just a culture that we are trying to grow among them, because if you vote politicians pay attention to what you say. When we tried to encourage them to vote, they said: what's the use of voting? Why vote? They are all devils. Why vote for the devils? So we came back. We felt very discouraged, because nobody was interested in voting. We debated and debated, how could we make them interested in voting. Finally, we came up with an idea. We tried it out. This time it worked, people got interested. This time we said: "Yes, they are all devils. But, if you don't vote, the worst of the devils will get elected. You have a chance. You can find the least of the devil." So we had a nationwide discussion: who is the worst devil? Who is the least devil? What are their features? And it worked! Ever since, 100% voting from Grameen families is almost guaranteed.

In the last national election in 1996 general, we expanded our theme. We said, "Not only we give 100% of our votes, we also bring along our neighbours to vote, particularly our women neighbours." Most of Grameen borrowers are women. So it was easy. In 1996 election, voter turnout in the whole country was way above the past records: 73% of voters turned out to vote. More women voted in that election than men. It never happened in the history of Bangladesh. Always the number of women voting in any election is roughly about half the number of male voters voting. This time, women outnumbered the male voters and became the majority of the voters. As a result, the fundamentalist party in the country, who used to have 17 seats in the Parliament, was totally wiped out; barely had 3 seats somehow squeaked in.

The following year, 1997, was the year of local elections at the village level. Not only this time women of Grameen voted, they became candidates. More than 2,000 Grameen members, women, got elected in the local bodies. I was surprised because I was not thinking in those terms. The thought of them contesting for elective offices never occurred to me. They went ahead of me.

So I went to the villages and talked to the newly-elected local body members. "How did you think about the idea of running for elective posts?" "Well, you said we should be looking for the least of the devils, so we debated about it and said: 'Why are we looking for devils anyway? We are good people. Why don't we run for these positions and get over with looking at the devils?'" That was needed a very simple solution. More than 2,000 got elected, but more than 6,000 contested. Imagine the woman who was so shy, who would not even talk to you, now becoming a candidate for public office contesting against many other women, some of whom are very rich women in the villages. This was quite a feat.

It's not just give money and walk away. If you are changing people's lives, you have to address it in its many different dimensions.

I am frequently asked, why so many of Grameen borrowers are women? When I began, I had two serious allegations against conventional banks: one, you've already heard me saying that conventional banks reject poor people, they do not let poor people come into their premises. And the second allegation I was making:

conventional banks are biased against women. All my banker friends got very upset about this allegation. The first allegation they understood, but they couldn't do anything about it. On the second one, they said, "This is not true! We give loans to women." I said, "If you look at the gender composition of all your borrowers, not even one per cent of them will turn out to be women."

When I began my work, I wanted to make sure half the borrowers in my project must be women. But it was easy saying, not so easy in real life. Women refused to take any money. Women kept saying, "No, no, no, I don't know anything. Give the money to my husband." Our staff got very frustrated, but did not give up. They could not convince women to join Grameen groups. I would tell them: "Look, when they say 'no,' it's not the person speaking. This is her fear speaking. Years and years of fear have gathered around her. Your job is to peel off that fear; to make it certain that the crust of fear thins away. Soon you'll find the glimmer of hope." And that's how, step by step, we overcome their resistance. It took us 6 years to come to the level where 50% of the borrowers were women. We celebrated the occasion, finally we made it! 50% of our borrowers are women!

Then we started noticing that money that went to the family through women brings so much more benefits to the family. You can see this in every case. When a man is the borrower, there are some positive changes, but not as much as in the women's case. Children become immediate beneficiaries if the mother is the borrower. Women had longer vision. They want to bring changes to their lives step by step. They use their money very cautiously.

A very special skill in women also helped a lot. She is an excellent manager of scarce resources. As a woman in a poor family, she learned to stretch the use of every resource to the maximum. Whatever little resource she could get she had to manage everything with that. So, when she got the money, she brought that excellent managerial skill of managing scarce resources in managing small amount money. She always got so much more mileage out of it.

You never hear a woman who made some money went to the pub and got drunk. Never. You never hear a woman made money and went to gambling and blew the money. Never. But this is the usual story all over the world for men. Noticing this we changed our policy. We said: No more 50/50. We prioritise women. We continued to prioritise women all along. As a result, today we have 95% women. Most of the good things that happened to Grameen, I think it is because we decided to work with women.

One story I mentioned in my book: One time, in a seminar of the bankers in Bangladesh – they were very mad at me because of the things I was saying about banks –, one professor of Economics stood up and said, "Dr. Yunus, you should change the name of your bank, you should call it Grameen Women's Bank!" When my turn came to respond to all the questions, I came to this question and said: "I'll be delighted to change the name of the bank to Grameen Women's Bank. But, before I do that, every other bank in the country has to change their name: X Male Bank, Y Male Bank, Z Male Bank, because 99% of their borrowers are men. I'm

only 95% women.” Of course, everybody laughed and got the message. The moment you deal with women, all of a sudden everybody says you’re doing the wrong thing. So, they said you have to have “woman” in the name of the bank. Nobody notices that conventional banks lend money only to men. Nobody said you have to change your name into X Men’s Bank or something like that. So easy not to notice!

Now, about the guaranteed income. I agree completely. I see no problem. What I’m saying, that’s only one piece of the story. I’m saying that people should be above the guaranteed income. We should make all arrangements first for moving people above that line, before we guarantee their income. If we do the guaranteed income first and walk away from moving them above the line, then everybody will be stuck with that guaranteed income, because there’s no initiative left. I got my income, why should I work? I’m saying that we have to have a lot of incentives to move away from the guaranteed income. While guarantee income, you must make all the efforts to make sure that nobody stays more than a second in the guaranteed income. They move above it by their own efforts, not with taxpayer’s money. I don’t want to live on taxpayers’ money, on somebody else’s money. I want to live on my own money. People have that capacity. I always feel that any kind of charity is a kind of postponing that ultimate answer. So we address that issue first. Guaranteed income should be a temporary place, not a permanent place.

I’m not against welfare, I’m very much in favour because I have to support the people who got into trouble. But supporting somebody who got into trouble doesn’t mean that we keep the person in that position for the rest of his life. Mere saying that it is a temporary position is not enough, society must organise itself to make it so. We must encourage people to move out. What we see in reality is different than what we promise. Welfare laws in many countries, European countries, North-American countries, particularly the U.S., where the welfare laws have been made in such a way as if its intention is to put full-blooded human beings into a bottle and tighten the screw.

If you’re on welfare, it’s extremely difficult to come out of it. Law does not allow you to come out. First, if you try to come out of welfare, you lose your health benefits in the USA. People are scared to death to lose their health benefits. If you are on welfare, you cannot earn money; law doesn’t allow you to earn money. If you earn a dollar, you have to report to the welfare authority. And the welfare authority will deduct that dollar from the check. What an incentive system!

If I were a US legislator I would put a clause that if somebody earns a dollar while he or she is under the welfare, the neighbours should stand up and applaud, to recognize that he or she has done a wonderful thing! This should encourage him to earn his next dollar, next dollar, next dollar. Give all kinds of incentives so that everyone feels that he can move out of welfare as fast as he can. That’s the most desirable thing to do. The whole idea of poverty alleviation is nothing but raising

the bottom of the society. You focus on the person who is the bottom-most. Lift that person. In the process, the whole society goes one notch up.

If a society has to maintain a large number of people on guaranteed income, I think that is a very static society. A dynamic society will be the one which moves forward to ensure that there's nobody who qualifies to receive guaranteed income. Guaranteed income legislation should also include the incentives to move people upwards. There have to be institutional facilities built into the guaranteed income, so that a person can start doing things which he couldn't do before. And, then, he will have his own income rather than income coming from the tax revenue.

Thank you very much for allowing me to share my thoughts with you.

Banco Nacional de Desenvolvimento Econômico e Social
Brazilian Development Bank

Presidente / President

Francisco Roberto André Gros

Vice-Presidente / Vice-President

José Mauro Mettrau Carneiro da Cunha

Diretora / Director

Beatriz Azeredo

Superintendente da Área de Desenvolvimento Social

Chief Executive of Social Development Area

Pedro Gomes Duncan

Superintendente da Área de Infra-Estrutura Urbana

Chief Executive of Urban Infrastructure Area

Terezinha Moreira

Gerência Executiva de Trabalho, Renda e Desenvolvimento Local

Responsável pela coordenação do Programa de Microfinanças

Labor, Income and Local Development Management

Responsible for the coordination of the Microfinance Program

Chefia / Manager

Antonio Sergio Peixoto Barretto

Equipe Técnica / Technical Team

José Francisco Martins Santos

Luiz Fernando Barreto Gomes

Marcio Antonio Cameron

Paulo Augusto Kohler

Sônia Lebre Café

Flavio Lima Vieira

Gisele Ferreira Amaral

Marcelo Goldenstein

Marcos Montagna

Maria Fátima dos Santos Rosinha Motta

Murilo Cabral de Brito

Colaboração / Collaboration

Maria Angela Alves Nogueira, Heloisa Rossi

Apoio / Support

Equipe ACO/GEMAR

ACO/GEMAR Team

Área de Comunicação

Communication Area

PROJETO GRÁFICO / GRAPHIC DESIGN:

DPZ Propaganda

DESIGNER:

Nena Braga

FOTOS / PHOTOGRAPHS:

Acervo BNDES

TRADUÇÃO / TRANSLATION:

BCBR – Business Communications Brazil

REVISÃO PORTUGUÊS / PORTUGUESE REVISION:

Shirlei Nabarrete Nataline

REVISÃO INGLÊS / ENGLISH REVISION:

Cynthia Azevedo