

Review of the Grameen Today Pilot Program

Final Report

Prepared by the Centre for Social Impact Swinburne

March 2024



Acknowledgement of Country

We respectfully acknowledge the Wurundjeri People of the Kulin Nation, who are the Traditional Owners of the land on which Centre for Social Impact Swinburne is located in Melbourne's east and pay our respect to their Elders past and present. We are honoured to recognise our connection to Wurundjeri Country, history, culture, and spirituality through these locations, and strive to ensure that we operate in a manner that respects and honours the Elders and Ancestors of these lands. We also respectfully acknowledge Swinburne's Aboriginal and Torres Strait Islander staff, students, alumni, partners and visitors.

We also acknowledge and respect the Traditional Owners of lands across Australia, their Elders, Ancestors, cultures, and heritage, and recognise the continuing sovereignties of all Aboriginal and Torres Strait Islander Nations.

The research was commissioned by Grameen Australia and conducted by the Centre for Social Impact Swinburne.

Suggested citation: Tucker, J. and Riseley, E. (2024). *Review of the Grameen Today Pilot Program for Grameen Australia*. Centre for Social Impact, Swinburne University of Technology, Hawthorn, Australia.

Address for Correspondence

Dr Julie Tucker
Centre for Social Impact Swinburne
School of Business, Law and Entrepreneurship
Swinburne University of Technology
John Street, Hawthorn
Victoria 3122 Australia
jtucker@swin.edu.au

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	4
INTRODUCTION	7
SECTION ONE: OVERVIEW OF THE GRAMEEN BANK MODEL.....	12
SECTION TWO - ADAPTING THE GRAMEEN BANK MODEL IN THE UK AND THE US: INSIGHTS FROM THE LITERATURE	16
SECTION THREE - IMPACTS OF THE GRAMEEN TODAY PROGRAM ON MEMBERS	29
SECTION FOUR - ADAPTING THE GRAMEEN BANK MODEL TO THE LOCAL CONTEXT: CHALLENGES FOR THE GRAMEEN TODAY PILOT PROGRAM	53
SECTION FIVE: KEY FINDINGS AND LESSONS	73
REFERENCES	76
APPENDIX A: CROSS-COUNTRY ANALYSIS	81
APPENDIX B: COPY OF GRAMEEN TODAY MEMBER SURVEY.....	83

LIST OF TABLES AND FIGURES

<i>Table 1. Grameen Today members: birth country and main language spoken at home.....</i>	<i>30</i>
<i>Table 2. Grameen Today member reported household income and equivalent income quintile.....</i>	<i>31</i>
<i>Table 3. Overall reported change across Social inclusion, Choice and empowerment and Finances ...</i>	<i>36</i>
<i>Table 4. Comparison of the Australian and American socio-political context</i>	<i>81</i>
<i>Figure 1. Three Phases of the Grameen Today Pilot Program Review</i>	<i>9</i>
<i>Figure 2. Domain One: combined survey results across each outcome area.....</i>	<i>41</i>
<i>Figure 3. Domain Two: combined survey results across each outcome area.....</i>	<i>45</i>
<i>Figure 4. Domain Three: combined survey results across each outcome area</i>	<i>49</i>
<i>Figure 5. Biggest change reported from being part of Grameen Today.....</i>	<i>50</i>
<i>Figure 6. Grameen Today Pilot Program in Australia: loan recovery</i>	<i>55</i>
<i>Figure 7. Suggested improvements from Grameen Today surveyed members.</i>	<i>63</i>

EXECUTIVE SUMMARY

This report presents a review of the Grameen Today Pilot Program, a microfinance initiative of Grameen Australia (founded 1999) that provides small business loans, financial training and support to low-income entrepreneurial women who wish to generate income through enterprising activity (Grameen Australia 2024). The Grameen Today Pilot Program represented the first time a microfinance initiative focussed solely on providing business loans to low-income women *and* based on the Grameen Bank Model had been established in Australia.

The Grameen Bank Model was developed in the 1970s by Professor Mohammad Yunus in Bangladesh and has a primary focus on building the financial resilience of low-income women entrepreneurs through microfinance loans (Hossain 2013). The Grameen Bank Model relies upon a peer-group lending approach, high rates of loan recovery, and weekly member meetings to facilitate small group cohesion, offer support to members and encourage active outreach of new members through the group's existing social networks (Barua and Khaled 2023; Kalam 2021). It primarily operates in the Global South, in countries with similar socio-political contexts (Aghion and Morduch 2005; Barua and Khaled 2023; Kalam 2021).

The Grameen Today Pilot Program took place 2022-2023 and resulted in the recruitment of 213 low-income women (Grameen Today members) across Greater Melbourne, Victoria, Australia, as well as the provision of 194 small business loans. It has since paused operations. This review of the first 16 months of the Grameen Today Pilot Program was commissioned by Grameen Australia and conducted by the Centre for Social Impact, Swinburne University of Australia. It draws from an academic literature review, an online survey, and interviews with Grameen Today members and front-line staff, as well as senior representatives from two Australian not-for-profits that provide financial support to low-income entrepreneurs.

This report provides a contextual analysis of the Grameen Bank Model and previous attempts to adapt and adopt the Grameen Model into the Global North, namely in the United Kingdom (where the model is no longer operating) and the United States (where the model is still operating). The authors go on to summarise a review of Grameen Australia's Grameen Today Pilot Program with a focus on the impacts of the Pilot Program on the entrepreneurial women who sought and obtained small loans to support their microenterprise; and the challenges associated with adapting the Grameen Bank Model in Australia.

Key findings and lessons drawn from the Review

There is space for a microfinance initiative in Australia that focuses on low-income, entrepreneurial women, primarily from a culturally and linguistically diverse (CALD) background.

100% of all women participating in Grameen Today came from a CALD background. Interviews reflected that, for some women, the loans provided helped them feel good about themselves and their purpose, and hopeful about their futures.

- 80% of members surveyed felt their participation in Grameen Today had improved their sense of **social inclusion** in some way;
- 79% of members surveyed felt their participation in Grameen Today had improved their sense of **choice and empowerment** in some way;
- 73% of members surveyed felt their participation in Grameen Today had improved their sense of **finance and financial situation** in some way.

Any Australian microfinance initiative must be capable of adapting to the demands of the Australian context.

The Grameen Bank Model has been widely and successfully adapted throughout the Global South, where similar socio-political conditions have enabled the widespread adaptation of the Grameen Bank Model by local microfinance initiatives. The cultural heterogeneity of Greater Melbourne and Australia in general together with a local context shaped by cost-of-living pressures and the need for multiple sources of income; government regulation of small business and a well-established welfare benefits system mean that a 'copy and paste' of the traditional Grameen Bank Model is not appropriate in the Australian context.

Any Australian microfinance initiative looking to provide business loans to entrepreneurial low-income women should be based on reasonable, evidence-based expectations around outcomes and social impact.

The Grameen Today Pilot Program was shaped and driven by overly optimistic expectations around membership, loans and impact, notwithstanding that the experience of other Australian microfinance providers suggested that these targets would be difficult to meet. Due to the short duration of the Pilot Program, there was no real opportunity for organisational learning and adaptation. Future initiatives should include a rigorous but realistic planning process that

includes multiple opportunities for different stakeholders, including funders, to “stress test” critical assumptions around growth and impact.

Any Australian microfinance initiative looking to support low-income women must be easy to access, transparent and responsive to its members’ needs.

The women receiving Grameen Today loans typically experienced multiple barriers to accessing traditional finance: at least 82% spoke a language other than English at home and 45% were sole parents caring for child/ren. These women had complex, demanding lives and microfinance initiatives supporting them need to consider their capacity to participate in regular meetings; the need for flexible loan repayment schedules; and realistic loan amounts needed to sustain a small business.

In Australia microfinance business loans need to be supplemented by a sound lending framework and context-relevant business training.

While the Grameen Bank Model of financial skills training with peer support and mentoring provided a valuable foundation, the majority of Grameen Today members would have benefited from additional business skills development, with a particular focus on the skills needed to successfully navigate Australia’s relatively complex regulatory environment. Microfinance initiatives designed to support low-income women from CALD communities should provide this training as part of a broader lending framework designed to actively support women to build a sustainable small business.

Microfinance initiatives, including Grameen Bank adaptations need to be accompanied by rigorous external evaluation made public and freely available so that the learnings can be shared internationally.

Research documenting both the successes and failures of Grameen Bank adaptations in the Global North is sparse. Given that the Grameen Bank Model is still relatively new in the Global North, the findings from an independent evaluation of Grameen UK, a recent Grameen Bank Model adaptation in a Global North country, would have provided an invaluable source of insights and organisational learning. The team tasked with establishing Grameen Australia and implementing the Grameen Today Pilot Program would also have benefitted immensely from any independent evaluation of Grameen UK’s five years of operation.

INTRODUCTION

Background to the Review

The Grameen Bank has its origins in Bangladesh where it was developed in the late 1970s by Professor Mohammad Yunus (Hossain 2013). It is estimated that programs based on the Grameen Bank Model – and with a primary focus on building the financial resilience of low-income women entrepreneurs through microfinance initiatives – have been established in over 40 countries worldwide (Asian Financial Cooperation Foundation 2020). Today the majority of Grameen Bank Model initiatives are located in Bangladesh (Hossain et al. 2009; Nawaz 2010; Sobhan 2014) and in countries throughout the Global South (Aghion and Morduch 2005; Barua and Khaled 2023; Kalam 2021) where similar socio-political conditions have enabled the widespread adaptation of the Grameen Bank Model by local microfinance initiatives (Bahru and Khaled 2023). By contrast the adoption and adaptation of the Grameen Bank Model by countries located in the Global North has been both patchier and a slower process (Bahru and Khaled 2023; Kalam 2023), with one of the earliest Global North replications of the Grameen Bank Model established in France in 1989 (Barua and Khaled 2023).

While the concept of a Global North – South divide remains highly contested it is generally understood to be defined by political and socio-economic dimensions (Confraria et al. 2017), As such the Global North is seen as encompassing North America, Western Europe and the developed parts of Asia, including Australia and New Zealand, while the Global South comprises Africa, Latin America and developing countries across Asia, including the Middle East (Confraria et al., 2017). It is important to note for the purposes of this review that significant diversity exists within the Global North, including around access to state-funded welfare benefits and the associated social security net. In this context Barua and Khaled (2023) highlight the fact that many European countries, including the United Kingdom, have stronger welfare states and more financial regulation than America. While a multi-country comparison is beyond the scope of this review Appendix A provides a cross-country comparison of Australia and America and includes a comparison of entitlement to state-funded welfare benefits.

Grameen Australia is a not-for-profit organisation founded in 1999 and based on the Grameen Bank Model (Grameen Australia 2024). Consistent with the profile of most Grameen Bank Model microfinance programs, the focus of Grameen Australia's early work was in Cambodia and the Philippines where it operated and invested in microfinance initiatives supporting local

communities (Grameen Australia 2024). A shift in Grameen Australia's strategic focus took place in 2019 with the decision to explore the feasibility of establishing and operating an Australia-based microfinance initiative based on the Grameen Bank Model. A subsequent report to Grameen Australia in 2019 (the 2019 Feasibility Study) recommended establishing a "Model Branch" offering programs based on the Grameen Bank Model to pilot-test the suitability and long-term sustainability of the Grameen Bank Model in Australia.

In September 2022 and with funding from both the Australian (Federal) Government and the Victorian (State) Government, the first Grameen Australia branch opened in Broadmeadows, a suburb located 15km north of Melbourne's Central Business District in the state of Victoria. The opening of this first branch also saw the launch of "Grameen Today" in Australia. According to the Grameen Australia website Grameen Today is a program "providing small loans, financial training and support to members seeking to generate income through microenterprise," that aimed to reach and support "people with entrepreneurial aspirations, who are experiencing unemployment, financial exclusion and poverty" (Grameen Australia 2024).

The Grameen Today Pilot Program represented the first time a microfinance initiative focused solely on providing business loans to low-income women *and* based on the Grameen Bank Model had been established in Australia. To date most Australian microfinance initiatives, including Good Shepherd Microfinance (Voola 2019), have concentrated primarily on low-interest consumer loans. By way of example, Foresters Community Finance, a not-for-profit micro-loan organisation that ceased operations in 2022, previously offered affordable loans to low-income households. Consumer loans – including loans to pay bills, buy household items and pay off debt – comprised 97% of their loan portfolio in 2012 with only 3% of their clients requiring loans to start a business (Plant et al., 2013).

While not based on the Grameen Bank Model, Many Rivers Microfinance (MRM) (now called Many Rivers), provides one example of an Australian microfinance initiative providing business loans to low-income entrepreneurs. Founded in 2011 in partnership with Westpac (Gerard and Johnston 2019), Many Rivers' focus has evolved over time and is now on 'microenterprise development' through online and in-person business support and coaching enabled via an extensive suite of (online) business resources. Business loans to low-income entrepreneurs – particularly Indigenous entrepreneurs – remain a key component of the Many Rivers' offering, with access to loans dependent upon the client satisfying traditional credit criteria namely, "character, capacity and cashflow" (MRM 2023). As the Many Rivers' website makes clear, Many

Rivers' work in this space enjoys the continued financial support of “philanthropic donors and foundations, corporate partners, Indigenous corporations and Government agencies that understand the positive economic and social impact of our programs” (Many Rivers 2024).

The Review of the Grameen Today Pilot Program

This review of the first 16 months of the Grameen Today Pilot Program was commissioned by Grameen Australia in late 2023 and was conducted by the Centre for Social Impact, Swinburne. The Review comprised three stages with the findings in this Report informed by the insights emerging from the two earlier stages. Figure 1 below describes the three phases of the Grameen Today Pilot Program Review.

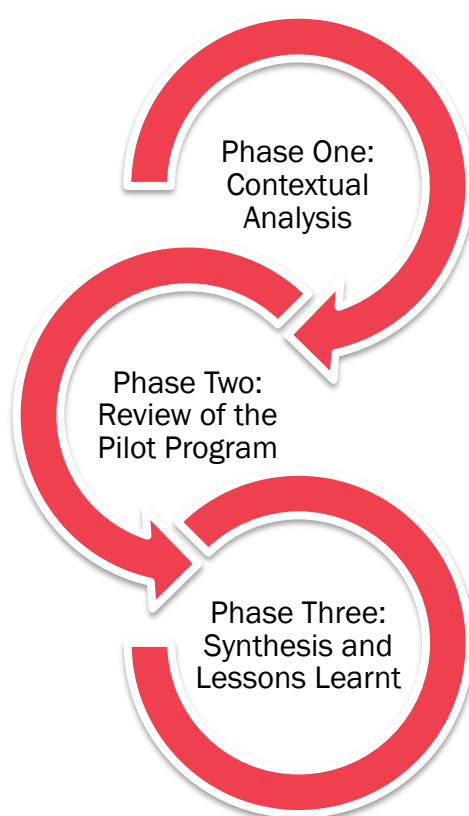


Figure 1. Three Phases of the Grameen Today Pilot Program Review

Phase One: Contextual Analysis This first phase comprised two parts. Firstly, an analysis of key internal documents together with an initial review of the academic literature with a focus on understanding the critical assumptions underpinning the decision to commence a microfinance

initiative based on the Grameen Bank Model in Australia. The findings relevant to this report can be summarised as follows:

- The decision to instantiate the Grameen Bank Model in Australia was based in part on an expectation that the model branch would be providing loans to over 4000 members after five years of operation. The experience of other Australian microfinance providers suggested that this estimate was likely to be overly optimistic and should be subject to regular review based on Grameen Today's actual experience on the ground.
- The decision to instantiate the Grameen Bank Model in Australia was also based, in part, on the experience of Grameen America – a successful adaptation of the Grameen Bank Model in a Global North country (Schaberg et al. 2022). In other words, Grameen America's success was seen as demonstrating the potential of the Grameen Bank Model in Australia. Our analysis of the research showed that in-country adaptations of the Grameen Bank Model needed to consider and then carefully respond to:
 - the diversity of experience of low-income women entrepreneurs in the Global North (Edelman 2020; Schaberg et al. 2022); and
 - the local socio-political context – including history, cultural homogeneity or diversity, country level income, languages spoken and geography (Barua and Khaled 2023; Jakimow 2014; Kah and Schuster 2016; Radhakrishnan 2015).

In other words, there was no 'one size fits all' Grameen Bank Model template for programs in the Global North.

Building on these insights the second part of the contextual analysis comprised a detailed review of the literature, exploring microfinance initiatives based on the Grameen Bank Model and supporting low-income women entrepreneurs in two Global North countries – the United Kingdom and the United States – together with a cross-country analysis comparing the socio-political context of America and Australia. The cross-country analysis considered variables like cost of childcare and entrepreneurial appetite, as well as key demographics and indicators of wellbeing in both countries and is attached in Appendix A.

Phase Two: Review of the Pilot Program In Phase Two we conducted an online survey – based on CSI Swinburne's [Community Services Outcomes Tree](#) – of Grameen Today members. Survey findings were augmented by semi-structured interviews with six Grameen Today members, three

Grameen Today front-line staff, and senior representatives from two Australian not-for-profit organisations providing financial support to low-income entrepreneurs.

Phase Three: Synthesis and Lessons Learnt This final phase brings together the insights emerging from the Phase One Contextual Analysis together with our analysis of the Phase Two data sets. In the report that follows we provide a detailed discussion of:

- the impacts of the Grameen Today Program on the entrepreneurial women who sought and obtained small loans to support their microenterprise,
- the lessons emerging from Grameen Australia’s Pilot Program, particularly as regards to the challenges associated with adapting the Grameen Bank Model in a Global North economy.

Report structure

This report comprises the following five sections:

- **Section One:** situates the Grameen Today Pilot Program within the broader Grameen Bank context by providing an overview of the Grameen Bank Model.
- **Section Two:** summarises our analysis of the literature, reporting on the implementation of in-country adaptations of the Grameen Bank Model in two developed economies, the UK and the US.
- **Section Three:** provides a detailed account of the impacts of the Grameen Today Program on members, informed by an analysis and synthesis of data from the online survey and interviews with Grameen Today members.
- **Section Four:** identifies and discusses key challenges experienced by Grameen Australia during the first 16 months of the Grameen Today Pilot Program, informed by interviews with Grameen Today members, Grameen Today front-line staff and senior representatives from two Australian not-for-profits.
- **Section Five:** summarises the key lessons learnt and provides closing remarks.



Photo Source: [Brian Wangenheim](#) on [Unsplash](#)

SECTION ONE: OVERVIEW OF THE GRAMEEN BANK MODEL

Section outline

While the microfinance sector encompasses a diverse range of different models, some of which draw to a greater or lesser extent on the features of the Grameen Bank Model (Barua and Khaled 2023), these initiatives can be distinguished from programs, including the Grameen Today Pilot Program, which seek to adopt and then adapt the key features of the Grameen Bank Model. Within the literature the terms “Grameen Bank Model adaptation” (Kalam 2021; Taub 1998) and “Grameen Bank Adoption” (Barua and Khaled 2023) are used interchangeably to distinguish this particular type of microfinance initiative from other programs that draw their inspiration rather than their critical features from the Grameen Bank Model.

Given the importance of the Grameen Bank Model to microfinance initiatives for programs seeking to replicate and adapt the Grameen Bank Model, below we overview the key features of the Grameen Bank Model identified in the microfinance literature. While each of the elements of

the Grameen Bank Model can be separately identified and considered in isolation it is important to acknowledge that they are highly interconnected in practice. So, for example, the success or otherwise of outreach designed to attract new members can have a significant impact – both positive and negative – on the formation of cohesive borrower member groups, the effectiveness of weekly borrower meetings and, ultimately, on loan recovery rates.

Key features of the Grameen Bank Model

Cultural homogeneity and peer group lending

The successful replication of the Grameen Bank Model throughout the Global South has taken place predominantly in culturally homogenous communities with borrowers having a shared history, language, and cultural traditions (Barua and Khaled 2023; Kalam 2021).

In developing economies, social ties between members of the same borrower group are identified as a major factor driving up loan recovery rates (Trinidad 2020). Self-selection of members from the community is also cited as another critical factor. For example, in Bangladesh group members have already established social ties and live in close-knit neighborhoods. Armed with this prior knowledge and experience, self-selection enables borrowers to self-select only those individuals deemed as trustworthy and most likely to repay their loans (Kalam 2021).

The division of borrowers into smaller, self-selecting member groups – with the disbursement of further loans contingent on the repayment of earlier loans by group members – lowers the management and transaction costs in the Grameen Bank Model, including selection, monitoring, and debt enforcement. In the Global South, borrowers frequently use local knowledge and relationships to self-select “trustworthy” borrowers (Trinidad 2020). The Grameen Bank Model replaces traditional physical collateral for loans with social collateral, which relies on the social penalisation of defaulters by others in the group and the community more widely for its effectiveness (Goldberg and Miller 2003).

High rates of loan recovery

High rates of loan recovery are seen as critical for a successful replication of the Grameen Bank Model (Kalam 2021; Yunus 1998). As the Grameen Bank founder Professor Yunus notes:

“In replicating Grameen one must remember from the beginning that, if the recovery rate is not near 100 per cent no matter how good it looks, it is not Grameen; all the strength from Grameen comes from its near perfect recovery performance” (Yunus 1998, p. 181).

As noted above, high rates of loan recovery are inextricably linked to the division of members into small interdependent groups and ensure the reduction of any programmatic costs associated with debt recovery.

Focus on supporting low-income women entrepreneurs

A primary focus on supporting low-income women entrepreneurs is an important feature of the Grameen Bank Model (Barua and Khaled 2023; Bernasek 2003; Kumar, Hossain & Gope 2013). Reflecting this, the Grameen Bank (2020) reported that in 2020, 97% of Grameen clients worldwide were women.

The research shows that women’s participation has driven Grameen’s expansion throughout the Global South, including Bangladesh (Kumar, Hossain & Gope 2013) and that this expansion can be attributed, at least in part, to a scarcity of employment opportunities for women together with constraining social contexts that leave women with limited options apart from taking on a loan to establish a small business (Kalam 2021; Kumar, Hossain & Gope 2013). This confluence of societal constraints and women’s aspirations has been conceptualised as the notion of “necessity entrepreneurship” (GEM 2004). Importantly, there is an inverse relationship between “country level income”, including access to welfare benefits, and “the degree of necessity entrepreneurship” (Kalam 2021, p. 133).

Weekly member meetings

Within the Grameen Bank Model weekly meetings are viewed as critical to ensuring high recovery rates (Vulcan et al. 2013). Kalam describes the importance of the Grameen Bank Model’s weekly meetings in the following terms:

Weekly meetings are a vital cog in the Grameen model as they are used to foster group cohesion, intragroup learning and provide a way of engendering discipline within groups

as the individual responsibilities are regularly reminded to the members. The enhanced discipline in turn positively influences the loan recovery (Kalam 2021, p.285).

Meetings also provide members with opportunities to build their own social support network.

Active outreach to attract new members

One of the most important features of the Grameen Bank Model identified in the literature, active outreach is focused on attracting a sufficient number of suitable clients who lack access to entrepreneurial finance (Kalam 2021). Outreach success is influenced both by the alternatives available in each community, and the size of the pool of potential borrowers (Sheremenko et al. 2012). As Kalam (2021, p. 36) notes, while the literature shows that there is a strong demand for microcredit in most developing economies, “the extent of the demand for such services in developed countries is unknown and the belief that there is a potentially substantial market led to the emergence of projects in the UK and the US.”

“Continuous (member) training”

The Grameen Bank Model does not include any business training or specialised business advice on the basis that there is insufficient evidence as to the value of such training. The research examining the value of entrepreneurial training in developing economies is certainly mixed. Several studies report limited evidence of the impacts of business training on the viability of the business, revenue, and employment (Oosterbeek et al. 2010). Others suggest that training delivered as part of a microfinance program can have positive impacts on business knowledge and client retention (Karlan and Valdivia 2011).

Within the Grameen Bank Model, skepticism as to the value of traditional business training for low-income entrepreneurs is combined with a belief that entrepreneurs have inherent skills that are best developed over time and through practical experience (Yunus 1998). In lieu of business training, the Grameen Bank Model incorporates a process of “continuous training” focused mainly on the Grameen methodology and the responsibilities of borrowers, particularly around saving and loan repayment (Kalam 2021).



Photo source: [TopSphere Media](#) on [Unsplash](#)

SECTION TWO - ADAPTING THE GRAMEEN BANK MODEL IN THE UK AND THE US: INSIGHTS FROM THE LITERATURE

Section outline

This section provides a summary of our analysis of the literature reporting on the adaptation of the Grameen Bank Model in two Global North countries, the UK, and the US, by Grameen UK and Grameen America respectively. We describe how socio-political factors in each country manifested as both challenges and opportunities for Grameen UK and Grameen America and identify the lessons emerging from each adaptation of the Grameen Bank Model.

Overview of the microfinance literature

An analysis of the literature focused on microfinance initiatives based on or adapting the Grameen Bank Model reveals the following insights:

- The literature examining the implementation of microfinance initiatives based on an adaptation of the Grameen Bank Model reflects its origins and subsequent popularity in Bangladesh with a preponderance of studies focused on Grameen Bank initiatives and extension initiatives in Bangladesh (Nawaz 2010) and the Global South more widely (Aghion and Morduch 2005; Kalam 2021).
- By comparison there is a paucity of literature on the implementation of microfinance initiatives based on the Grameen Bank Model in the Global North (Barua and Khaled 2023). While there is a relatively small body of work exploring the experiences of Grameen Bank Model adaptations in the United Kingdom and the United States (Barua and Khaled 2023; Counts 2008; Richardson 2008; Taub 1998), as Kalam (2021, p.44) observes even then: “Research on failures of the attempted initiatives to copy the Grameen Model in the UK and US has been scanty.”
- In the Global South, the social impacts of the Grameen Bank Model manifest mainly as gender empowerment and a reduction in poverty. By contrast, in both the UK and US the microfinance sector has been framed as a financial inclusion initiative designed to provide affordable finance to individuals who would otherwise struggle to access financial products and services from mainstream financial institutions (Kalam 2021).
- The 1990’s saw the instantiation of several microfinance initiatives based on the adaptation of the Grameen Bank Model in the UK and the US (Kalam 2021). The microfinance initiatives adopting the Grameen Bank Model in these two countries all struggled to do so with the exception of the more recent example of Grameen America which has expanded significantly (Kalam 2021, p.15).
- The literature highlights the overarching challenge for microfinance initiatives in the Global North, specifically the dual institutional challenge of promoting social and community development (delivered via a microfinance loan program) while at the same time ensuring financial organisational sustainability (Edelman 2021; Kalam 2021).
- In the US and the UK, the funding required to establish Grameen America and Grameen UK was substantial and came from both philanthropy and corporate partners (Barua and Khaled 2023; Kalam 2021). In the UK, partners included Tesco Bank, Royal Bank of Scotland, and the Glogag Foundation, while in the US Citibank, Wells Fargo and Capital One all provided funding. Similarly, Edelman (2021, p.1) notes that the launch of

Grameen America in 2008 via projects in five large metropolitan areas required “multimillion dollar endowments.”

Adapting the Grameen Bank Model in the UK: challenges and responses

The early Microfinance Initiatives

Microfinance was adopted as a tool for fighting social and financial exclusion and stimulating economic development in economically deprived regions of the UK in the late 1990’s and was inspired by similar developments and support for microfinance initiatives in the US (Goggin et al. 2010; Kalam 2021). This period saw the establishment of a number of microfinance initiatives in areas of economic deprivation in major cities, including London and Birmingham and also in Scotland. These microfinance initiatives all encountered challenges with member recruitment, forming cohesive member groups and loan repayment. Those that offered finance and support to men and women – often as a strategy for boosting client numbers – reported some of the lowest loan recovery rates as well as challenges with borrower group dynamics (Kalam 2021).

Some, although by no means all, of these initiatives were based on the Grameen Bank Model however all of the early microfinance initiatives – including those based on the Grameen Bank Model – were heavily reliant on government funding to cover all or a significant proportion of their operating costs. Funding was reduced and eligibility requirements made more stringent in the early 2000s, forcing the early microfinance initiatives to respond by either ceasing operations or transforming into different organisations (Kalam 2021).

Adapting the Grameen Bank Model in the UK: Grameen UK

Microfinance initiatives underwent a second surge of popularity after the Global Financial Crisis in 2008 when the then-newly elected Conservative Government adopted microfinance as a strategy for growing economic activity through support for small business. In 2014, Grameen in the UK (Grameen UK) was launched in Scotland – backed by funding from the Scottish Government, business, and local entrepreneurs. Grameen UK operated in four economically disadvantaged regions, including Glasgow, but despite initial enthusiasm and support it ceased operations in 2019 (Kalam 2021).

In the sections that follow we summarise how socio-political factors manifested as a series of operational challenges for Grameen UK, using the previously identified (see above in Section One) key features of the Grameen Bank Model to structure the findings.

Loan recovery

- Grameen UK experienced major problems with loan recovery and reported a loan recovery rate of 82% (Kalam 2021).
- Loan repayments at Grameen UK were electronic. While this was positive in terms of security and convenience, it reduced the incentive to attend group meetings – viewed as critical to ensuring high recovery rates (Vulcan et al.2013) – and resulted in what Kalam (2021, p.119) described as a “subsiding” of peer pressure.

Weekly meetings

- UK regulations designed to protect vulnerable consumers from predatory lending practices prevented weekly meetings at the houses of borrowers, which were held in small shops or commercial premises instead. This reduced the opportunities for learning and hindered the process of social collateral formation, leading to less cohesive, more geographically dispersed borrower groups (Kalam 2021, p. 150).

Cultural diversity

- In contrast to Grameen Bank initiatives in the Global South (Trinidad 2020), and to most of the early UK microfinance initiatives (Goggin et al. 2010; Kalam 2021), Grameen UK had a culturally diverse client base consisting mainly of ethnic minority clients with different cultural backgrounds and languages. The most common country of origin was Nigeria. The majority of this client cohort had no access to public funds (Kalam 2021). Kalam (2021, p.119) notes that this cultural diversity “may have made the model more difficult to operate”, particularly when it came to establishing borrower groups. Only 5% of Grameen UK’s clients were Scottish nationals, all of whom had access to welfare benefits.

Reframing the mission statement to reflect the operational reality.

The Grameen UK experience is consistent with the notion of “necessity entrepreneurship” (GEM 2004) and highlights the difficulty of attracting clients with access to a pre-existing stable source of income, including welfare benefits, even if that income is not overly generous.

The Grameen UK experience also suggests that clients without access to public funds may be more willing to consider loans to create opportunities for self-employment particularly if they had already seen the model in operation in their home countries.

Kalam (2021) highlights an apparent inconsistency in the Grameen UK mission statement, which focused on a Scottish-born population with access to welfare benefits, and their actual clientele, which was drawn predominantly from recently arrived communities with no or very limited access to public funds.

He argues that Grameen UK should have considered reframing the mission statement to focus on meeting the needs of sole traders currently underserved by the existing financial system, including access to small business loans, rather than native-born clientele entitled to welfare benefits, and looking to start their own business.

Outreach

- The UK regulatory environment had a significant impact on the success of outreach and the ability to attract sufficient clients. Regulations also made it more difficult for Grameen UK to engage close-knit communities. Meetings were restricted to commercial venues and Grameen UK was prohibited by law from approaching prospective clients in their homes. This can be contrasted with Grameen’s operations in Bangladesh where outreach occurs in the home, draws on close relationships between neighbours and contributes to the formation of cohesive groups (Trinidad 2020).

Developing relationships with community organisations – as the primary outreach strategy – was seen as more appropriate than direct marketing to potential clients, particularly in their homes, which could be viewed as intrusive and potentially in breach of UK direct marketing legislation. Although Grameen UK did secure invitations from community organisations to present to clients this was time consuming – some organisations were reluctant to engage with Grameen UK – and yielded mixed results (Kalam 2021, p.148).

- Grameen UK also experienced lower-than-expected demand for business loans. This was evidenced by the fact that the Grameen Trust’s (the advisory body for global replications of Grameen) initial estimates for Grameen UK micro-finance products during the pilot phase were revised during the initial period of operation, reflecting the challenges of reaching out to and engaging with the target audience (Kalam 2021).

Gender

- Grameen UK served a higher proportion of men than other global replications, with women borrowers comprising only 53% of the Grameen UK client base. This was a contentious issue driven partly by concerns regarding a women-only offering potentially breaching the UK’s anti-discrimination laws and partly by the difficulty of meeting even the reduced borrower targets (Kalam 2021).

Member Training

- Grameen UK deemed business training essential and provided free training to clients during the pilot phase. Topics covered included planning income and expenditure, budgeting and operating a business.
- The training program was redesigned following the pilot phase to reflect the fact that most Grameen UK clients (around 90%) already operated an existing business, as such much of the training was superfluous and could be seen as patronising by clients already experienced in running their own business.
- The redesigned program incorporated insights from entrepreneurial research (Balkin 1992) and distinguished between training required to start a new business and training required to sustain an existing one. While this enabled Grameen UK to adopt a needs-

based approach, with training tailored to the needs of each client, the diversity within the Grameen UK client base made this support costly to provide.

Adapting the Grameen Bank Model in the US: challenges and responses

The early Microfinance Initiatives

The research highlights a similar trajectory for early US microfinance initiatives which sought to adopt and adapt the Grameen Bank Model (Counts 2008; Richardson 2008; Taub 1998). Despite considerable early enthusiasm for microfinance in the early 1990s – seen by government as an effective strategy to enhance economic development while also helping tackle unemployment and social and financial exclusion – by the end of the decade most microfinance initiatives were struggling with multiple challenges, including low client demand, regulatory issues, high operational costs, and high default rates (Richardson 2009). The early microfinance initiatives – including the ‘Good Faith Fund’, an initiative that attempted to replicate the Grameen Model in Pine Bluff, a city of significant economic and social disadvantage in the southern state of Arkansas – adapted to this financial reality by ceasing operations or switching to individual lending programs (Taub 1998).

Adapting the Grameen Bank Model in the US: Grameen America

Like the UK, microfinance in the US underwent a second surge of popularity in the early 2000’s driven by renewed interest in micro-entrepreneurship as a driver of economic activity in low-income communities. Grameen America opened in 2008 with extensive support from corporate America and has expanded rapidly from five large metropolitan areas each with a population in excess of one million in 2008 (Edelman 2021) to 27 cities in 2024 (Grameen America 2024). In addition to philanthropic and corporate support, Grameen America also benefits from a robust network of influential policymakers able to promote the Grameen Bank Model within America (Barua and Khaled (2023, p.13). Today, as Barua and Khaled (2023, p.11) note, “Grameen America is recognized as a successful replication of the original Grameen model, which has infused Grameen values among female entrepreneurs in the US.”

In the sections that follow we draw on the literature to summarise some of the key operational decisions contributing to Grameen America's success, using the previously identified key features of the Grameen Bank Model to structure the findings.

Loan Recovery and Peer Group Lending

- Annual loan recovery rates for Grameen America are high and currently sit at 99.8% (Grameen America 2024). The literature (Barua and Khaled 2023; Kalam 2021) identifies the following factors by way of explanation:
 - Peer pressure generated by the group lending model including loss of access to loans at both the group and centre level in the case of individual member default.
 - Compulsory weekly group meetings held at easily accessible venues like client houses. Grameen America staff collect loan instalments and clients discuss their businesses – both challenges and prospects – and build their social networks. Some members used the weekly meetings as an opportunity to sell to other members.
- Effective outreach and high rates of loan recovery have also provided the basis for partnerships between Grameen America and other organisations including banks who offer savings accounts to borrowers.

Cultural Diversity

- During its early years of operation Grameen America sought to engage with different communities – including the Bengali community – but experienced limited outreach success. Grameen America was able to learn from and respond to these challenges by shifting its strategic focus to emerging Hispanic female entrepreneurs who currently make up the majority of its clientele.

Grameen America's recruitment strategy now focuses "on the lowest rung of the communities with a particular focus on female Hispanic entrepreneurs" (Kalam 2021, p.222). As a result, by 2021, Hispanic immigrants who mostly lacked access to mainstream financial services comprised 95% of Grameen America borrowers.

- Grameen America clients demonstrated a high degree of "necessity entrepreneurship" (GEM 2004) with the majority having limited access to both alternative financial services

and welfare benefits. Kalam (2021) suggests that this high degree of necessity may have also contributed to the high loan recovery rates with clients keen to preserve their relationship with Grameen America.

- This culturally homogenous borrower cohort has been an important contributor to Grameen America's success – both in terms of Grameen America's ability to create cohesive borrower groups but also due to the high levels of “necessity entrepreneurship” within the Hispanic cohort (Kalam 2021). At the same time, Kalam (2021) cautions that future changes in the socio-political context – such as more restrictive border security and immigration policies – may reduce the pool of potential new borrowers requiring Grameen America to diversify its existing base of predominantly Hispanic women.

Outreach

- As Kalam (2021) notes, the regulatory environment stands out as a key differentiating factor between Grameen UK and Grameen America particularly insofar as the ability to conduct effective outreach and maintain cohesive groups of borrowers is concerned. Barua and Khaled (2023) reach a similar conclusion observing that “while regulators heavily scrutinize European microfinance, microfinance initiatives in the US receive a ‘lighter touch’” (2023, p.11). Unlike in the UK, US regulations do not prohibit group meetings from taking place at borrowers' houses and staff from Grameen America do not face any restrictions around where group meetings can be held. As a result, meetings are often held at borrowers' homes.
- Outreach is also less regulated with staff able to approach borrowers directly, including conducting home visits, rather than relying on referrals from third party organisations. By contrast, the UK regulatory environment had a significant impact on the success of outreach and made it more difficult for Grameen UK to engage close-knit communities (Kalam 2021).

Gender

- Grameen America has maintained a strategic focus on women clients – reflected in its framing of financial exclusion as one aspect of the “feminisation of poverty” – throughout its existence, and 100% of Grameen America clients are women (Kalam 2021, p.274).

Member Training

- Unlike Grameen UK, Grameen America offers training that is similar to the Grameen Bank Model “continuous group training program”. The program focus is on familiarising clients with the internal, processes, ethos and methodology of Grameen rather than on business and entrepreneurship (Kalam 2021).

The importance of organisational learning and adaptation

Research (Roodman and Qureshi 2006) shows that an organisational capacity for reflection, learning and adaptation is critical to the survival and long-term sustainability of microfinance initiatives, particularly in the Global North. Kalam (2021) suggests that a willingness to learn from experience, particularly during the early years of operation, experiment with different approaches and then adapt accordingly has been a key factor in Grameen America's long-term success.

The initial branches have taken relatively longer to achieve sustainability as there were uncertainties during the preliminary phases about the strategic approaches to be undertaken with respect to locating operational areas, marketing methods and staff recruitment. The organization had to learn from experimenting with different strategies and ascertain the most appropriate ways of accomplishing operational objectives (Kalam 2021, p.270).

Grameen America was able to leverage the international brand recognition associated with the Grameen Bank to create an expanding base of social investors and supporters, including influential policy makers able to publicise and promote Grameen America within their own constituencies and at a state and national level (Barua and Khaled 2023). As Kalam (2021) observed, Grameen America's "financial cushion" enabled organisational learning through experimentation and adaptation:

Such a brand-name also helps Grameen America to secure at least \$6m which it requires as a minimum threshold for setting up a particular branch. This is a crucial factor which sets it apart from smaller organizations because unlike those organizations, this gives Grameen America more time and financial cushion to experiment with different approaches in order to select the most appropriate strategies with respect to the aforesaid operational activities (Kalam 2021, p. 271).

Lessons for Grameen Bank Model adaptations in the Global North

Although the literature reporting on the challenges associated with the establishment and implementation of in-country adaptations of the Grameen Bank Model in the Global North is not extensive, two key lessons emerge. Firstly, the prevailing local socio-political context – including cultural diversity, the regulatory environment and entitlement to publicly-funded welfare benefits – is critical to the success or otherwise of Grameen Bank Model initiatives in developed economies. In this context Barua and Khaled (2023) highlight the fact that many European countries, including the United Kingdom, have stronger welfare states and more financial regulation than America. The literature suggests that the adoption and successful adaptation of the Grameen Bank Model in this particular subset of Global North countries is less likely (Barua and Khaled 2023; Kalam 2021).

Secondly, even where the local context is favourable, the successful adaptation of the Grameen Bank Model requires time (Barua and Khaled 2023), a willingness at the local level to learn from experience and adapt accordingly, and the organisational capacity – including a sufficient “financial cushion” (Kalam 2021) – to do so.

For the first wave of microfinance initiatives based on the Grameen Bank Model – in both the UK and the US – the challenges associated with adapting the Grameen Bank Model to respond to local contexts proved insurmountable. The early microfinance initiatives in both countries reported very similar operational challenges, including low client numbers, high loan default rates and lack of cohesion within borrower groups, as well as similar adaptation strategies. The microfinance initiatives that offered services to men and women – in part as a strategy to boost client numbers – reported some of the lowest loan recovery rates as well as challenges with borrower group dynamics.

Both Grameen UK and Grameen America also encountered operational challenges during their early years of operation, particularly around effective outreach in culturally diverse cities. Grameen UK responded by building a culturally diverse cohort of male and female entrepreneurs supported by tailored, “needs-based” (but at the same time costly) business training. Despite offering this program, Grameen UK continued to struggle with effective outreach. Client numbers and loan repayment rates remained stubbornly low.

Grameen UK was also stymied in its efforts to implement key elements of the Grameen Bank Model by a regulatory environment designed to preserve privacy and protect consumers against predatory lending practices, rather than respond to the needs of a microfinance initiative based on the Grameen Bank Model.

By contrast, Grameen America’s decision to learn from early experiences and adapt to the local context by focusing exclusively on women entrepreneurs from the culturally homogenous Hispanic community helped establish the foundations for Grameen America’s growth and sustainability. At the same time, this decision to focus on Hispanic entrepreneurs cannot be disentangled from the broader socio-political context – including a more supportive regulatory environment and the limited availability of welfare benefits, leading to a high degree of “necessity entrepreneurship” within the Grameen America client cohort.



Photo source: [Trung Nhan Tran](#) on [Unsplash](#)

SECTION THREE - IMPACTS OF THE GRAMEEN TODAY PROGRAM ON MEMBERS

Section outline

This section brings together an analysis and synthesis of member-generated data to understand the impacts of the Grameen Today program on its members. Data is drawn from an online survey that members were asked to complete across November 2023 to January 2024 (n=55), as well as interviews with Grameen Today members (n=6). Interviews and survey data were conducted and analysed by the Centre for Social Impact research team. This data has been paired with secondary demographic data provided by Grameen Australia, to provide context to the insights that have been drawn.

Profile of Grameen Today members: total member cohort (secondary data)

A total of 201 women made up the Grameen Today member cohort in Australia. Demographic data described below is based upon data collected from 170 of these women, provided by Grameen Today.

Grameen Today member cohort age, carer's status, and cultural background

The average member age was between 45-49 years, and the majority of these women were either sole parents caring for their child/ren (77 members, 45.3%) or part of a couple caring for child/ren (48 members, 28.2%). All the Grameen Today members came from a culturally and linguistically diverse (CALD) background. Grameen Today members came from over nine distinct countries of birth, reflecting the cultural heterogeneity in the cohort, and in Australia more broadly. In comparison, nearly 30% of all Australian residents are born overseas (ABS 2023), and 22.3% speak a language other than English at home. In Greater Melbourne, where Grameen

Today was piloted, cultural heterogeneity is even higher – 34.9% of Melbournians speak a language other than English at home, and 40.2% were born overseas (ABS 2016). Table 1 highlights the main countries of birth and language spoken at home for Grameen Today members.

Table 1. Grameen Today members: birth country and main language spoken at home

Main country of birth	Percentage of members (n=170)	Main language spoken at home	Percentage of members (n=170)
Vietnam	46.5%	Vietnamese	44.1%
Sudan	17.6%	Arabic	30.0%
Syria	8.8%	Dinka	8.2%
Iraq	7.1%		
South Sudan	5.3%		

Grameen Today member cohort income source and reported income

Regarding income source, the majority of Grameen Today members received salary or wages from an employer (71 members, 41.8%), followed by government payments (46 members, 27.1%). Only 19% of Grameen Today members were self-employed. In terms of income, the vast majority of all Grameen Today members (149 members, 87.6%) reported a yearly household income of between <\$10,000 - \$59,999. In Australia, household wealth is distributed by income quintiles, ordering households into five equal sized groups from lowest to highest income (Davidson et al., 2023). Two-thirds (113 members, 66.5%) of Grameen Today members reported a yearly household income of under \$39,999, categorising them as low-income households and placing them in the equivalent of the lowest quintile of household wealth in Australia. Low-income households are particularly vulnerable to unforeseen increases in expenses or income

reductions (ABS 2020). Table 2 highlights the reported household income of Grameen Today members, according to these quintiles.

Table 2. Grameen Today member reported household income and equivalent income quintile

Grameen Today member reported household income	Percentage of members (n=170)	Equivalent income quintile*
< \$10,000 - \$19,000	39 members (22.9%)	Lowest 5% (<\$22,847)
\$20,000 - \$29,000	20 members (11.8%)	Lowest 10% (<\$34,041)
\$30,000 - \$39,000	54 members (31.8%)	Lowest 20% (<\$43,334)
\$40,000 - \$49,000	26 members (15.3%)	Second 20% (<\$85,406)
\$50,000 - \$59,000	10 members (5.9%)	Second 20%
\$60,000 - \$69,000	4 members (2.4%)	Second 20%

*Source: adapted from Davidson et al., 2023: 21

Profile of Grameen Today members: surveyed members and interviewees (primary data)

Of the total Grameen Today member cohort, 55 members participated in an online survey ('surveyed members') and six members participated in an interview. Both the survey and interviews were designed to better understand how members felt about the Grameen Today program, with a focus on any changes they experienced through their participation in the program.

Profile of a Grameen Today member

Vikki has a business selling Australian cherries, sticky rice and other food products online to customers in Australia (who go on to send these products to family members in Vietnam) and also direct to customers Vietnam. Her family in South Vietnam then collect the cherries and distribute them to customers.

This is a well-established business, which she started in 2009, and she has regular customers.

Vikki received a Grameen Today loan of \$4,000. She used this loan to order more stock, meaning she was able to pay in advance and save money on her orders. Prior to receiving the Grameen loan she has been given credit, but this came with restrictions and a 40-day repayment schedule.

Vikki reflected that having the Grameen Today loan made her business more profitable.

Grameen Today surveyed members: age, carer's status, and time in the program

Demographic data from the 55 members surveyed highlighted the diversity of the group, and the participation of women across multiple life stages. The youngest member who completed the survey was 26 years old, while the oldest was 69 years. The average age was 48.7 years, which is reflected in the average age (45-49 years) of the total Grameen Today cohort. Interestingly, this is slightly older than the average age of the American Grameen member, at 41 years old (Schaberg et al., 2022). Similarly aligned with the total Grameen Today Australian cohort, the majority of members surveyed were sole parents caring for child/ren (25 members, 46.3%), followed by those in a couple caring for child/ren (19 members, 35.2%). Ten members (18.5%) did not have children.

The majority of respondents (42 members, 76.3%) who completed the survey had been a member of Grameen Today for less than one year. Just over half (29 members, 52.7%) had been a member for 3-6 months, while 12 members (21.8%) had been with Grameen Today for 6-12 months. Thirteen members (23.6%) had been with Grameen Today for over one year.

Understanding the outcomes of membership in the Grameen Today Pilot Program

Considering that 1) the Grameen Today Pilot Program had been operating in Australia for a relatively short duration of 16 months before this research commenced, and 2) the learnings from previous Grameen model adaptations in the UK and US which show that the Grameen Bank Model offers women more than just access to finance in the form of a loan, this study aimed to understand the financial, emotional *and* social impacts that the Grameen Today Pilot may have had on its members.

Grameen Today Pilot Program survey

In order to understand these impacts, the online member survey drew from CSI Swinburne's [Community Services Outcomes Tree \(CSOT\)](#). The CSOT has been developed over two years of research by CSI Swinburne in partnership with Uniting Vic. Tas, a major community services organisation. It is a framework dedicated to capturing the outcomes and changes that individuals experience over time as a result of community services. The CSOT has a 'whole of life' approach and considers twelve separate but interrelated life domains that impact an individual, for example: housing, finance or employment. Each domain contains a set of key outcome areas that have been found to be most relevant in the literature and other measurement instruments.

The member survey comprised of three life domains that were selected based upon their relevance to the Grameen Today Pilot. A full copy of the survey is attached in Appendix B.

1. **Choice and Empowerment domain:** relating to an individual's say in their life and sense of autonomy. For example, *think about setting and pursuing your goals. E.g., having goals that you want to work on that are meaningful and relevant to you; having your views on goals heard; making choices about goals. How has this changed for you since joining Grameen Today?*
2. **Finance domain:** relating to an individual's financial situation, financial literacy and financial stress. For example, *think about your having money for more than basic needs. E.g., having access to disposable cash; increased income for non-essential things; able to afford some little extras; having the financial freedom to enjoy life. How has this changed for you since joining Grameen Today?*

3. **Social Inclusion domain:** relating to an individual's social connections and relationships. For example, *think about your feeling of being valued and belonging. E.g., being treated with respect by others; feeling valued by society; feeling like part of the community; having your competence and skill recognised. How has this changed for you since joining Grameen Today?*

Survey questions comprised of a mix of Likert scale questions, multiple choice questions and optional open-ended response questions. All domain questions were asked on a six-point Likert scale, asking participants to consider how the outcome had changed for them from 1: not relevant to me; to 6: got a lot better. Survey responses were analysed and synthesised with anonymised qualitative data from interviews with six Grameen Today members to better understand the impacts and changes that Grameen Today facilitates for its members.

Grameen Today Pilot Program interviews

Interviews were semi-structured and conducted by a member of the research team over the phone. Interviews asked members to consider questions such as: 'was the loan enough for what you wanted to do?'; 'do you think being part of Grameen Today has changed any areas of your life?'; and 'would you recommend to the Grameen Today Program?'. Interview members were welcome to have an interpreter or support person attend the interview with them. Interview members were self-selecting and elected to participate in an interview.

This next section provides a summary of the key impacts, based upon the findings of the online member survey and interviews conducted with members. It is important to note that, while highly insightful, this data reflects a snapshot in time and of attitudes and needs to be considered in the full context of this report.

Overall impacts

Overall, the analysis of member-generated data highlighted that it was the easy-to-access, low interest monetary loan provided to the women *plus* the wrap-around financial support, increased social connections, and positive changes to a member's confidence that had the greatest impacts. The loan itself, while highly valued and useful, was not the only factor in isolation that led to positive change in these women's lives. Similar findings have been reported in the

Grameen America Program Evaluation (Schaberg et al. 2022) and are reflected in the key features of the Grameen Bank Model (Kalam 2021).

As two interviewees noted, while the monetary value of the loan was important, it was the meaning behind this value that had the potential to create long-lasting change in the women's lives and in their sense of self:

The value of money for us is a gift. It's: "I value you, I value your time, I value your presence, I value your contributions, and it's important for me to know that you are going to be taken care of..." (Carmel – Grameen Today member)

It seemed like business is good for women, or a couple of things is good for their health and wellbeing. When you have some other things you do out of the house or talking to people, that's for your mental health is helping a lot. (Dina – Grameen Today member)

Across the three survey domains, and when looking at the combined outcome areas within each domain, surveyed members reported similar patterns of positive or minimal changes. The majority of all surveyed members (72.7 – 80.0%) felt that their social inclusion, choice and empowerment, and financial situation had gotten better in some way, as depicted in Table 3. Changes reported across the domains of 1) Social Inclusion and 2) Choice and Empowerment were close to identical. For the Financial Situation domain, fewer members reported dramatic positive change as, on balance, more members reported experiencing 'no change' from their participation in Grameen Today – this can likely be explained in the context of microloans and the relative short timeframe of both the Pilot and individual participation in the program. Very few members (less than 1.4%) reported negative change across any of the domains.

Table 33. Overall reported change across the Domains of Social Inclusion, Choice and Empowerment and Financial Situation for Grameen Today surveyed members

	Social Inclusion	Choice and Empowerment	Financial Situation
Gotten better in some way	80.0%	79.1%	72.7%
Gotten a lot better	18.2%	20.0%	11.8%
Gotten a bit better	61.8%	59.1%	60.9%
No change	19.4%	19.5%	27.3%
Gotten a bit worse	0.6%	1.4%	0%
Gotten a lot worse	0%	0%	0%

Profile of Grameen Today member

Dina has an online business selling traditional African beads for clothing and jewellery. She had tried to start this business with other women before participating in Grameen Today but found it difficult to fund the business.

She received a loan of \$2,000 from Grameen Today, which she used to start her business and purchase initial stock. She didn't want to get a bigger loan before she had become familiar with the business. She purchases traditional beads from Africa, and then passes them on to customers in Australia.

She reflected that the community aspect of Grameen really helps her business to succeed – she is able to learn from others and share support and encouragement. Grameen Today also provided her with valuable training around financial management.

She feels hopeful about her future.

Domain One: changes in Choice and Empowerment

Surveyed members were asked to consider four key outcome areas (1. Control and choices in daily life; 2. Decision making; 3. Setting and pursuing goals; and 4. Self-reliance and resilience) within the Choice and Empowerment domain. Members were asked to consider how these outcome areas had changed for them since joining Grameen Today. The key results are outlined for each outcome below, coupled with relevant interview quotes. Finally, Figure 2 highlights the combined results of the survey responses.

Overall and across all outcomes within this domain, 59.1% of all survey respondents felt that their sense of choice and empowerment had gotten a **bit better** since joining Grameen Today, while 20.0% felt it had gotten a **lot better**. Another 19.5% experienced no change. It was clear from the interviews that these women generally felt feelings of hope, happiness and choice from their participation in Grameen Today.

I felt very happy when I was accepted by the program, it gave me more confidence to do my business online. (Vikki)

I see a bright future for me. Okay now I got my kids, they grow up. They are big. I'm a grandma. So, I don't have much to do. I want to get myself doing my things I love, I like. I couldn't have time because I come from a war zone and when I was a young lady I didn't have much time for myself. ...But now, this is my time and maybe I can achieve things I'd like to do before with Grameen. This is small business – it can help me to achieve my goals. (Dina)

Control and choices in daily life

Control and choices relate to an individual's sense of agency, feelings of empowerment and independence. For example, living the way one wants to; and having control and choice in daily activities.

- 14/55 (25.5%) members felt their sense of control and choices in daily life had gotten a **lot better** since joining Grameen Today.
- 30/55 (54.5%) members felt their sense of control and choices in daily life had gotten a **bit better** since joining Grameen Today.

- 11/55 (20.0%) members felt their sense of control and choices in daily life had **not changed** since joining Grameen Today.

One interviewee shared that she felt like membership with Grameen Today offered women more options and choices:

I think it's a good stepping stone and it's a stepping stone that is really important for women, because we don't have access to that much outside of families and children and everything like that. We're constantly taught that we need to be at home and look after the babies... but I think this program for women has kind of changed the game.

(Carmel – Grameen Today member)

Another echoed this sentiment for her personal circumstances, reflecting how having options for her daily activities made her feel happy.

"All you do is raising kids, and go to some friend's house or do something else and come home, and you don't have the answer at the end of the day, "Oh, what did I do?" But now after being – a businesswoman, even though it is little, I think I've got the answer for my question at the end of the day, "At least I've done things, I'm happy." And whether [the business] works or not, at least I'm happy. (Sian – Grameen Today member)

Decision making

This outcome area relates to an individual feeling confident and knowledgeable to make decisions, and knowing they can access additional information or support to assist their decision making.

- 10/55 (18.2%) members felt their decision making in daily life had gotten a **lot better** since joining Grameen Today.
- 33/55 (60.0%) members felt their decision making in daily life had gotten a **bit better** since joining Grameen Today.
- 11/55 (20.0%) members felt their decision making in daily life had **not changed** since joining Grameen Today.
- 1/55 (1.8%) member felt their decision making in daily life had gotten a **bit worse** since joining Grameen Today.

Setting and pursuing own goals

Setting and pursuing own goals related to an individual firstly having meaningful goals that they felt motivated to work towards, and secondly being able to make choices that enabled them to work towards these goals.

- 8/55 (14.6%) members felt their ability to set and pursue their own goals had gotten a **lot better** since joining Grameen Today.
- 35/55 (63.6%) members felt their ability to set and pursue their own goals had gotten a **bit better** since joining Grameen Today.
- 11/55 (20.0%) members felt their ability to set and pursue their own goals had **not changed** since joining Grameen Today.
- 1/55 (1.8%) member felt their ability to set and pursue their own goals had gotten a **bit worse** since joining Grameen Today.

Upon analysis of the survey data, it became apparent that the one member who recorded that their goal setting had gotten a *bit worse* since Grameen Today had also reflected that they didn't appreciate that their loan and eligibility for a secondary loan was directly influenced by the actions and repayments of other members in their group. This thread was picked up by several members who were interviewed, highlighting the somewhat delicate balance between group cohesion and an individual's sense of agency: if all group members are aligned and can progress towards the shared goal of loan repayment together, this helps to enable individual members, boosts group cohesion and lowers management costs associated with group monitoring and repayment reminders. In contrast, if the goals or motivations of the group differ from the individual, this breaks down the social collateral aspect of the Grameen Model and, in this case, has created friction and feelings of tension for individual members. One interviewee reflected on their desire to use personal relationships to self-select new, "trustworthy" members (Trinidad 2020).

In the future we should get the good people join the group, because actually at the moment we have a lot of problems with our members. Good member should be responsibilities and maybe get the loan just to pay back, like be part of the group, so we have to remind each other. (Kristy – Grameen Today member)

Because in [my] area [I] know quite a lot of people, if like from next time we find new members, if [I] can... check the people is good or not to join our group, something like that. (Doris – Grameen Today member)

Self-reliance and resilience

This outcome area relates to an individual having the ability, confidence and skills to problem-solve and meet their own needs, as well as manage day-to-day life stressors.

- 12/55 (21.8%) members felt their sense of self-reliance and resilience had gotten a **lot better** since joining Grameen Today.
- 32/55 (58.2%) members felt their sense of self-reliance and resilience had gotten a **bit better** since joining Grameen Today.
- 10/55 (18.2%) members felt their sense of self-reliance and resilience had **not changed** since joining Grameen Today.
- 1/55 (1.8%) member felt their sense of self-reliance and resilience had gotten a **bit worse** since joining Grameen Today.

There was evidence that Grameen Today helped scaffold the women to improve their sense of self-reliance, while they were building relevant skills and learning to implement new habits. For example, Grameen Today provided reminders to members to pay their loan repayments while members were establishing the new routine of a weekly payment.

They're reminding us about the bill, the loan. You're never going to forget. Even at the bank sometimes you forget. But Grameen you can't forget. Either you pay weekly and if you're running late you've got to pay in two weeks. (Dina – Grameen Today member)

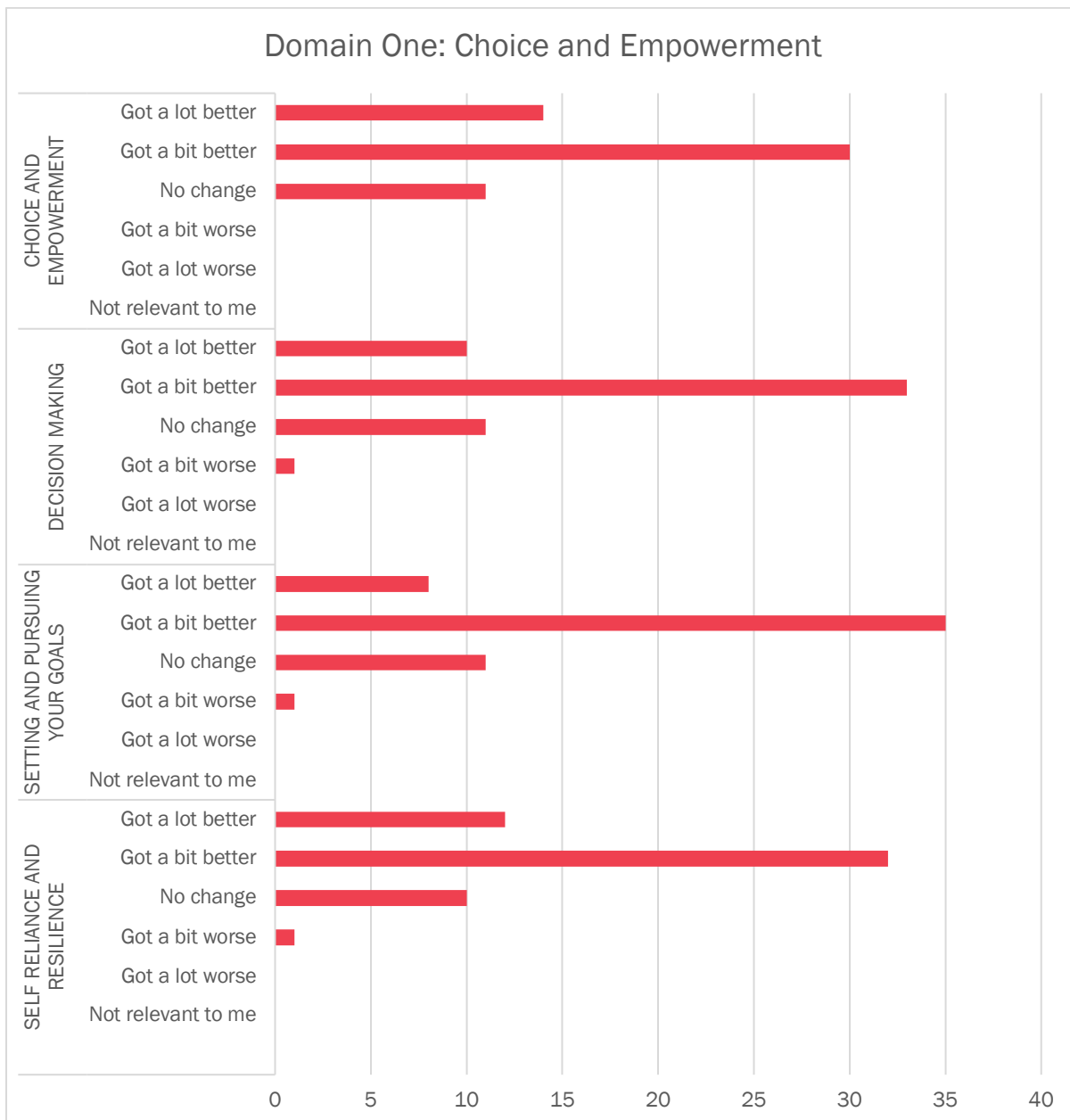


Figure 2. Domain One: combined survey results across each outcome area

Domain Two: changes in Social Inclusion

Surveyed members were asked to consider three key outcome areas (1. Social connections and relationships; 2. Social support; and 3. Feeling valued and belonging) within the Social Inclusion domain and consider how these outcome areas had changed for them since joining Grameen

Today. Key results are detailed below, before Figure 3 highlights combined results for this domain.

Overall and considering all outcomes in this domain, 61.8% of all survey respondents felt their social inclusion had gotten a **bit better** since joining Grameen Today, while 18.2% felt it had gotten a **lot better**. Similar to domain one, 19.4% reported no change to their sense of social inclusion, connections and belonging.

Social connections and relationships

This outcome relates to an individual feeling connected in their community and having regular and positive social contacts and networks.

- 10/55 (18.2%) members felt their social connections and relationships in daily life had gotten a **lot better** since joining Grameen Today.
- 35/55 (63.6%) members felt their social connections and relationships in daily life had gotten a **bit better** since joining Grameen Today.
- 10/55 (18.2%) members felt their social connections and relationships in daily life had **not changed** since joining Grameen Today.

Many of those interviewed expressed that a key positive outcome of Grameen Today had been the relationships they built with other members, primarily through their women-only groups but also through relationships with the centre manager.

We created not only the money, we created the environment, a friendship relationship. We used to share ideas and other stuff as a community which we, as women as well because maybe it's focused on women? ... we used to share ideas and laughs and how we get to Australia, how things were first time we come. Not only the money – we created connection as well. (Sian – Grameen Today member)

In person [meetings], yeah, and I think that's something that we enjoy even more, because the laughing, the looking in each other's eyes, the connecting. Connection is really, really important to us as well, being able to really feel somebody's energy or really know where they're coming from and being in their presence. (Carmel – Grameen Today member)

We all love her [centre manager]. She's the best. She's the sweetest. She's been super encouraging and really lovely. She's worked in a lot of different places. She was African

herself as well. She's a mother herself. We just were able to relate to her on so many different levels, and she was just that kind as well, which was even better. (Carmel – Grameen Today member)

Social support

Social support relates to an individual feeling like they can access, receive and give help from/to others when needed, as well as generally feeling socially supported in and outside of the home.

- 10/55 (18.2%) members felt their social support from others in daily life had gotten a **lot better** since joining Grameen Today.
- 33/55 (60.0%) members felt their social support from others in daily life had gotten a **bit better** since joining Grameen Today.
- 11/55 (20.0%) members felt their social support from others in daily life had **not changed** since joining Grameen Today.
- 1/11 (1.8%) member felt their social support from others in daily life had gotten a **bit worse** since joining Grameen Today.

Members generally felt supported through the relationships that they fostered with one another. Members reported sharing advice between one another, widening their networks, or even directly supporting each other's businesses.

The weekly meetings were good, we had more of a relationship together and I also got more customers because other women in my group were interested in my business and started buying my cherries. (Vikki – Grameen Today member)

Some women in the group were already money savvy, and then there were some who weren't really understanding how to go about their money and everything like that. There were women who was sharing advice, or giving advice, or just even talking about what they do with their money, and I found that very helpful. It was a very peer support type of structure that I didn't expect. I really appreciated it in the end. (Carmel – Grameen Today member)

Some members spoke of disconnect and tension with their small groups, and the fact that there were individuals within groups who were not motivated to contribute or perhaps could not attend the weekly meetings.

Still in our group there are people [that] don't come to the meetings, they don't understand why the meeting is important. But I encourage them. ...I try to keep it happening every week so that we are thinking together in the future what to do and learn from each other. (Dina – Grameen Today member)

Feeling valued and sense of belonging

This outcome relates to an individual feeling like they are treated with respect in their community, feel valued and feel heard by others.

- 10/55 (18.2%) members felt their sense of feeling valued and belonging in daily life had gotten a **lot better** since joining Grameen Today.
- 34/55 (61.8%) members felt their sense of feeling valued and belonging in daily life had gotten a **bit better** since joining Grameen Today.
- 11/55 (20.0%) members felt their sense of feeling valued and belonging in daily life had **not changed** since joining Grameen Today.

One member reflected on the importance and sense of belonging, familiarity and comfort that came from being in a group with members of a similar cultural background, even if their life experiences had differed since leaving their birth country.

I think, culturally, because we're South Sudanese, there was familiarity that was understanding to begin with, which made it easy for us to get to be comfortable with each other, to be honest with each other, to be vulnerable with each other as well. There were times where women were very openly vulnerable with us. It was just because we related that much as well. (Carmel – Grameen Today member)

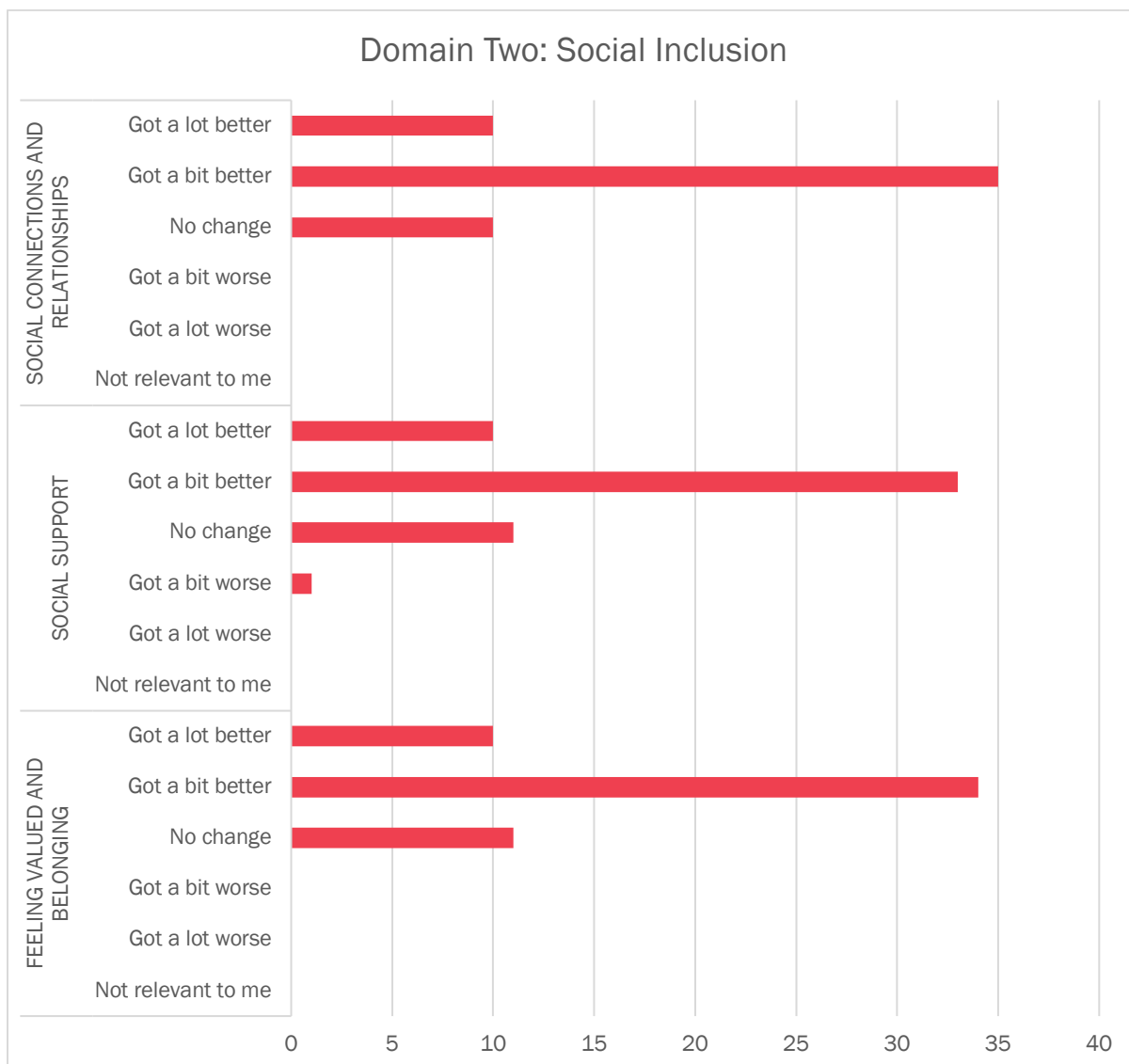


Figure 3. Domain Two: combined survey results across each outcome area

Domain Three: changes in Financial Situation

Survey members were asked to consider four key outcome areas (1. Financial management skills; 2. Access to financial advice, products and supports; 3. Having money for more than basic needs; and 4. Setting financial goals) within the Financial Situation domain. Members were asked to consider how these outcome areas had changed for them since joining Grameen

Today. Results for each outcome area are detailed below and combined with relevant interview quotes. Figure 4 highlights combined results across the domain.

Overall, and considering all outcomes under this domain, 60.9% of all survey respondents felt their financial situation had gotten a **bit better** since joining Grameen Today, while 11.8% felt it had gotten a **lot better**. Compared to domain one and two, more members (27.3%) reported experiencing no change to their financial situation.

Financial management skills

This outcome area relates to an individual's ability to manage their own money, considering their knowledge, skills and decision making around their own money.

- 8/55 (14.5%) members felt their financial management skills in daily life had gotten a **lot better** since joining Grameen Today
- 32/55 (58.2%) members felt their financial management skills in daily life had gotten a **bit better** since joining Grameen Today
- 15/55 (27.3%) members felt their financial management skills in daily life had **not changed** since joining Grameen Today

As one member shared, guidance and encouragement from Grameen Today enabled them to open a savings bank account. This was the first time they had opened a savings account with an Australian bank.

What I really, really loved about Grameen was the financial literacy side of things as well, and... the importance of saving. That was something that I learned with Grameen. They were just like, "Listen, we're going to give you this money. While you're at it, how about you start a bank account, and just put \$5 away every week and just let us know how that goes." Just exercising that every week, was definitely something new, but also, I didn't realise that it could be something so small and obviously you went from \$5 To \$10 to \$50. I was just like, oh, this was – it's easy. I could do it. (Carmel – Grameen Today member)

Access to financial advice, products and services

This outcome area relates to an individual's awareness and access to appropriate, safe and suitable financial products and services, as well as reliable advice.

- 7/55 (12.7%) members felt their access to financial advice, products and services in daily life had gotten a **lot better** since joining Grameen Today.
- 31/55 (56.4%) members felt their access to financial advice, products and services in daily life had gotten a **bit better** since joining Grameen Today.
- 17/55 (30.9%) members felt their access to financial advice, products and services in daily life had **not changed** since joining Grameen Today.

Many of those interviewed expressed that they had experienced barriers when trying to access financial products from the big banks, and that Grameen Today was much easier.

The [bank] interest loan is too high, like 17%, and all the document is all complicated. So, [I] found Grameen is easier. (Kristy – Grameen Today member)

[I] definitely I don't want to go to the bank because of the [interest] rate and things... you have [to] be fit for them somewhat to get to borrow as well. ... [Grameen] was easier in understanding, and someone you could go along with. (Sian – Grameen Today member)

Having money for more than basic needs

This outcome area relates to an individual having access to disposable cash, financial freedom and the ability to afford little extras in order to enjoy life.

- 5/55 (9.1%) members felt their access to money for than basic needs in daily life had gotten a **lot better** since joining Grameen Today.
- 37/55 (67.3%) members felt their access to money for than basic needs in daily life had gotten a **bit better** since joining Grameen Today.
- 13/55 (23.6%) members felt their access to money for than basic needs in daily life had **not changed** since joining Grameen Today.

One member described the feeling of financial freedom that came with participation in Grameen Today, and the flow on impacts of this:

I got more confident, more happy and had more financial freedom after joining the program. Financial freedom is very important. Without it you can do nothing. I have more confidence now. (Vikki – Grameen Today member)

Setting financial goals

Setting financial goals relates to an individual having knowledge of, and ability to, plan for longer term expenses, save money for the future and determine their own financial goals.

- 6/55 (10.9%) members felt their ability to set and pursue financial goals in daily life had gotten a **lot better** since joining Grameen Today
- 34/55 (61.8%) members felt their ability to set and pursue financial goals in daily life had gotten a **bit better** since joining Grameen Today
- 15/55 (27.3%) members felt their ability to set and pursue financial goals in daily life had **not changed** since joining Grameen Today

One member expressed that, in her birth country, there was little opportunity for financial literacy or financial goals.

How we borrow money in [birth country] is very, very different to how we borrow money here in Australia. There's a bunch of different rules that are there, and just a bunch of different policies that some women won't even be aware of or understand. ...my entire life, basically, my country has been in war. There's never been a time for – just putting away money is not something that we are used to, or putting money away for emergencies, it's not something that we're used to. We share money, we support each other, we're in survival mode. (Carmel – Grameen Today member)

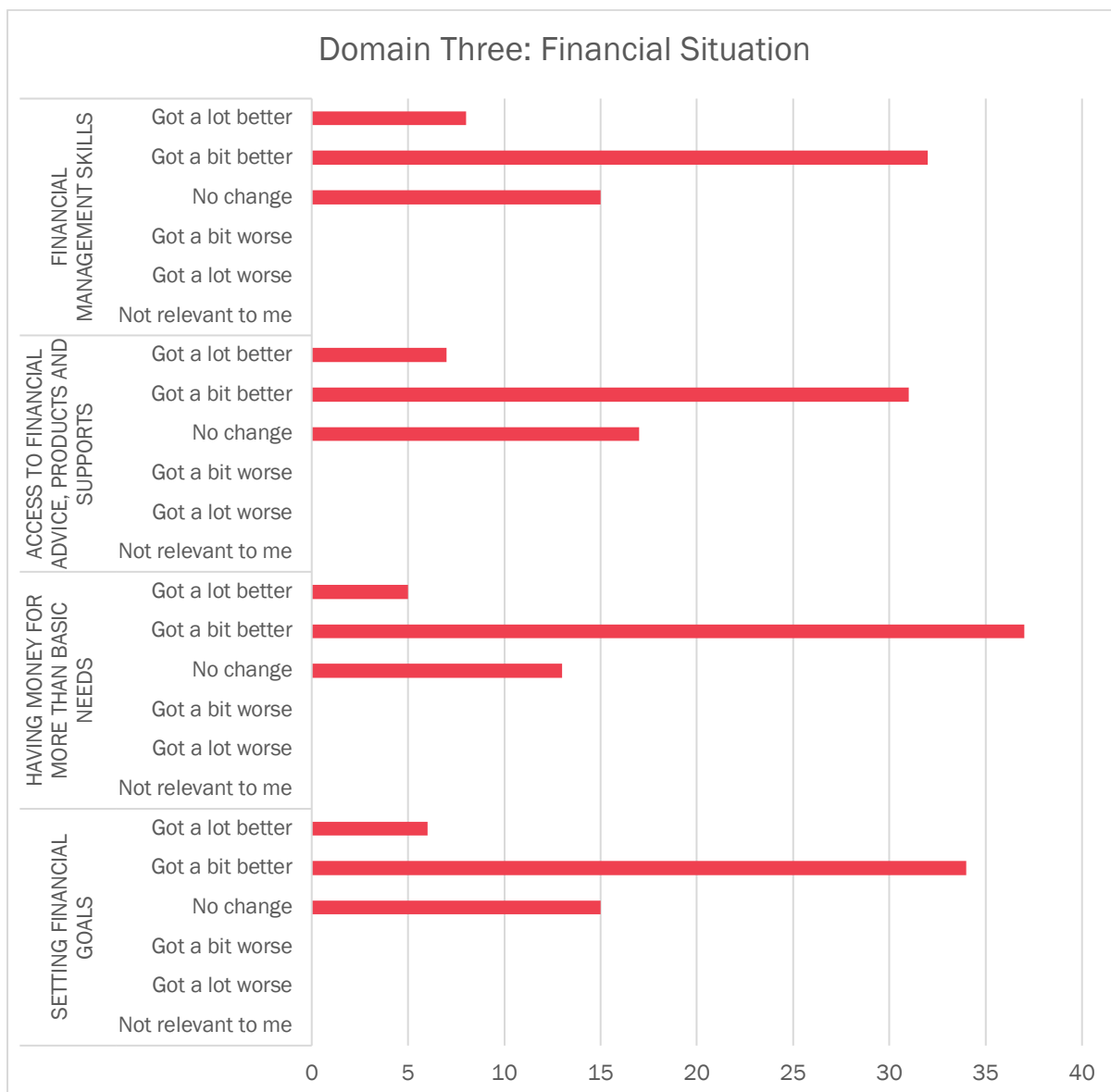


Figure 4. Domain Three: combined survey results across each outcome area

Biggest change in members' lives

Surveyed members were asked the open-ended question: “Please tell us about the biggest change in your life as a result of being part of Grameen Today.” We received responses from all 55 survey respondents, with some respondents mentioning multiple changes (n=64 responses). Responses were thematically analysed, and the results are summarised below in Figure 5.

BIGGEST CHANGE REPORTED FROM GRAMEEN TODAY

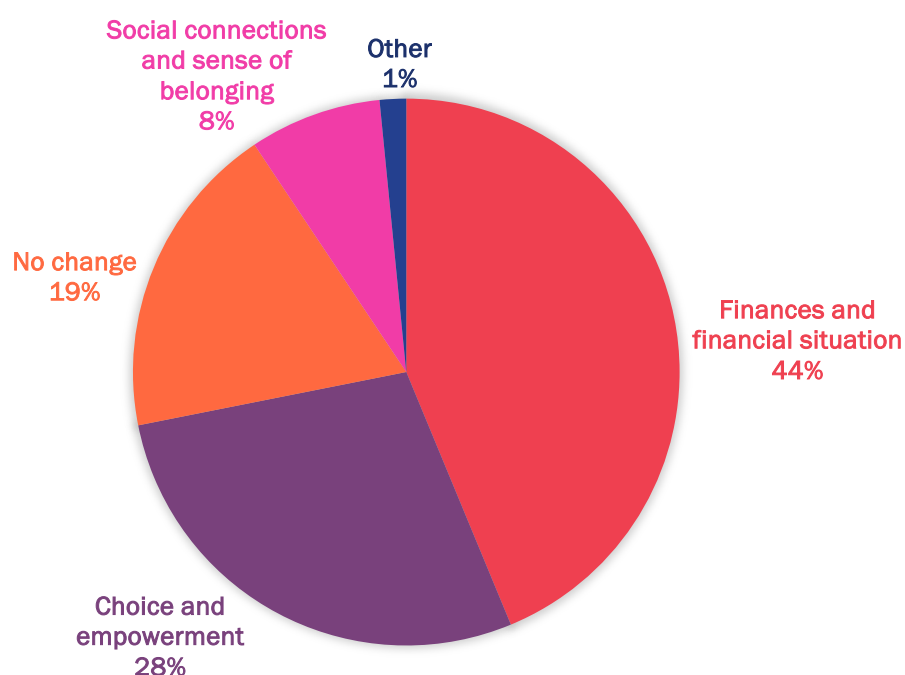


Figure 5. Biggest change reported from being part of Grameen Today

Overwhelmingly, the biggest change from being part of Grameen Today related to members' *finances and financial situation* (44% of all responses). When considering sub-themes under this category, people most frequently mentioned changes to their financial management skills, financial freedom, financial literacy and business growth. For example:

- *Grameen has shown me how to and why I should start a savings account. And I started off small, and slowly I've grown my savings account* (surveyed member);
- *helped me understand finances better* (surveyed member);
- *helped to think more about finances in a practical sense* (surveyed member);
- *put me in a position where I could support myself* (surveyed member).

As several interviewee members reflected:

I've been doing pretty well in this loan. I think, the weekly payments have made sense for me. I make a decent amount of money, so I'm okay to keep up with it. I also just

really enjoy it. It's just really easy. It's really straightforward. There are no hidden fees, there's no nothing. It's very upfront, very honest. (Carmel – Grameen Today member)

My [life] is better than before. [I] feel like [I have] more financial freedoms. So, [I] have more money, [I] can buy more material, and there be more choice for the customer. (Doris – Grameen Today member)

Next, surveyed members reported that the second biggest change related to their sense of *choice and empowerment* (28% of all responses). This overwhelmingly related to members' feelings of confidence. For example:

- *feel more confident and happy to recommend* (surveyed member);
- *more financial freedom, more confident, help more people* (surveyed member);
- *receiving advice and increased confidence* (surveyed member).

One interviewee member shared the below statement, reinforcing that it is not just monetary goals that drive members.

And the main reason I start business is not only to get profit, to be in a good state mentally, so I have to do something as for me... I can't be happy if I don't do things, I want to see myself productive. ... If I'm successful with business, I might be more happy. (Sian – Grameen Today member)

Finally, nearly twenty percent of all responses reflected that surveyed members had experienced *no big change* from being part of Grameen Today. This is reflected in the domain responses and may in part be attributed to the length of time surveyed members had been with Grameen Today – as noted earlier in Section Three, just over half of members (29 members, 52.7%) had only been a part of Grameen Today for 3-6 months. This is a relatively short amount of time to see business growth and reap the benefits of a loan, particularly when we recall that only 19% of members were already established business owners – the majority of surveyed members would have been using the Grameen Today loan to startup their microbusiness.

Data restrictions

To aid in understanding data from the online survey and interviews with members, the below is contextually important:

- As noted, members self-selected to participate in interviews so responses may be skewed towards positive experiences in Grameen Today.
- Three of the six interviews (Vickey, Doris and Kristy) were facilitated via an interpreter provided by Grameen Today, as requested by these women and considering English was their second language.
- As noted, 55 members completed the survey in full. An additional six responses were recorded but not included in the analysis due to insufficient data – four responses had been abandoned early on in the survey, and two responses had significant incomplete data.
- For survey questions where members input a range (e.g. age range 30-40 years) we selected the median (35 years) to assist with data analysis.



Photo source: [Mihai Surdu](#) on [Unsplash](#)

SECTION FOUR - ADAPTING THE GRAMEEN BANK MODEL TO THE LOCAL CONTEXT: CHALLENGES FOR THE GRAMEEN TODAY PILOT PROGRAM

Section outline

In this section we draw on our analysis of data from the online survey of Grameen Today members, as well as semi-structured interviews with Grameen Today members; Grameen Australia staff with direct experience of the operation of the Grameen Today Pilot Program; and senior representatives from two other not-for-profit organisations, each with knowledge of the Grameen Bank Model and the Grameen Today Pilot Program. Given the centrality of the Grameen Bank Model to Grameen Bank Model adaptations and the importance of local context, in this section we describe how the adoption of the key features of the Grameen Bank Model in an Australian context created a series of challenges for, and in some cases responses by, the Grameen Today Pilot Program. In providing this analysis we note that due to the short duration of the Grameen Today Program the interviewees focused mainly on the program challenges, rather than any organisational response to these challenges or further adaptation of the model, which often require both time and additional resources to implement.

Like the interviews with Grameen Today members, the interviews with Grameen Australia staff and representatives from the two not-for-profit organisations were semi-structured and conducted by a member of the research team over the phone. Interviews with Grameen Australia staff considered questions such as: “thinking about the Grameen Today program, what do you think worked well?”; “what were the challenges for frontline staff and for the delivery of the program”; and “what changes would you make to the program and why?”. Interviews with the representatives from the not-for-profit organisations considered questions such as: “where do you think the Grameen Today Program fits within the broader microfinance ecosystem?”; “what

do you think the Pilot Program did well?"; and "where are the opportunities for learning and improvement?". As with the findings described in Section Three, the analysis is also informed by our analysis of the microfinance literature (see further Section Two) and in particular by the learnings from previous Grameen Bank Model adaptations in the UK and US (Barua and Khaled 2023; Kalam 2021).

Adapting the Grameen Bank Model in Australia: loan recovery

Data provided by Grameen Australia shows that the Grameen Today Program achieved mixed rates of loan recovery during the first 16 months of operation. Over the course of the Grameen Today Program, 194 loans were provided to members. Loans were required to be repaid within a six-month term, and the monetary figure of loans ranged from around \$2,000 to \$4,000 AUD. Of the 194 loans provided, sixteen of these were 'second cycle loans', meaning these were secondary loans given to eligible members who had fully paid off their first loans. According to the Grameen Bank Model (Kalam 2021; Yunus 1998), members can only receive a second loan if they (and, importantly, other members of their group) repay their loans in full. Data provided by Grameen Australia shows also that *monthly* loan repayment rates were mixed, and while low during the early months of operation they peaked at a monthly rate of 96% in July 2023.

Looking across the program as a whole, Figure 6 depicts the Grameen Today Pilot Program loan recovery, as of September 2023 when the Pilot Program was paused and after 16 months of operation (effectively two loan terms). Nearly half of all loans (100 loans) had been partially repaid (including six loans partially repaid on the second loan cycle). A little under half of all loans (87 loans) had been paid back in full (including ten second cycle loans) while a small number of loans (7 loans) had not been repaid.

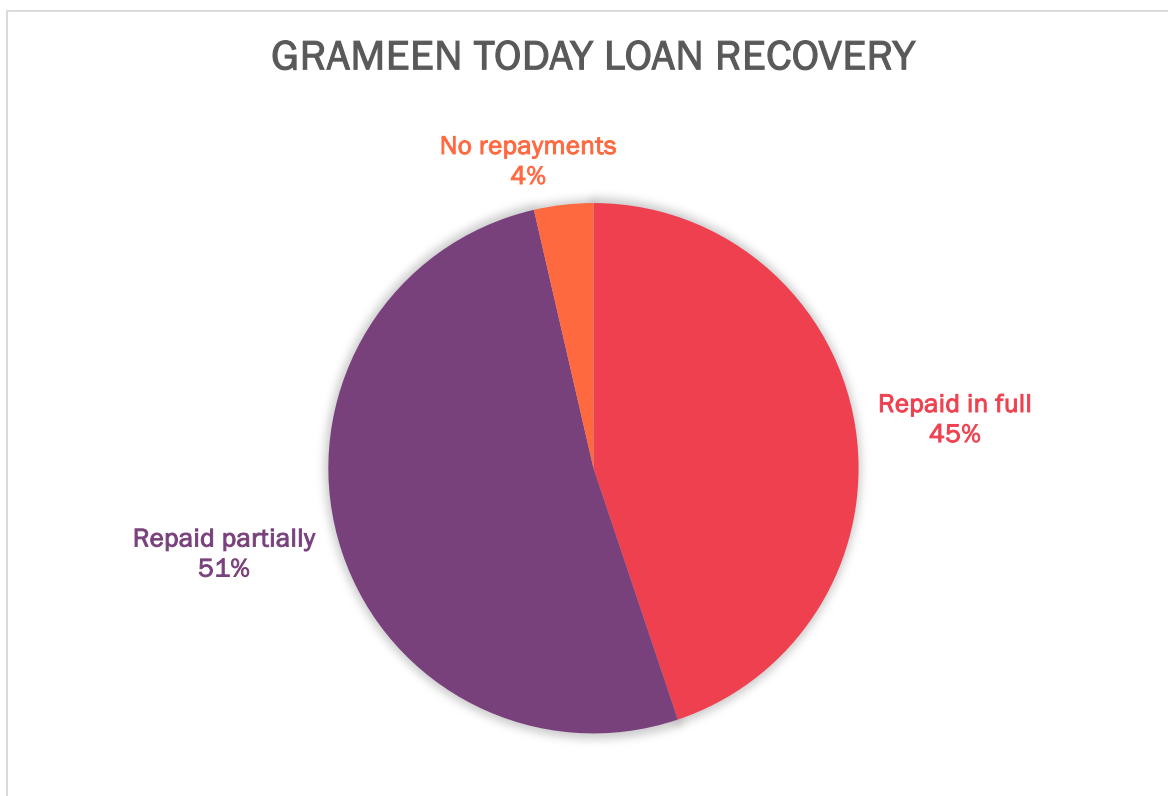


Figure 6. Grameen Today Pilot Program in Australia: loan recovery

As previously noted, high rates of loan recovery are regarded as critical to the successful replication of the Grameen Bank Model (Kalam 2021; Yunus 1998) in both Global South and Global North countries. At an operational level, high rates of loan recovery enabled by self-selecting member groups ensure that any programmatic costs associated with debt recovery are kept low (Kalam 2021). Putting the Grameen Today loan recovery rates in their wider context, we can recall that loan recovery manifested as a persistent problem for the early microfinance initiatives in both the UK and the US (Counts 2008; Richardson 2008; Taub 1998). Insofar as the adaptations of the Grameen Bank Model are concerned, Grameen UK experienced significant challenges with loan recovery during the organisation’s four years of operation, reporting a loan recovery rate of 82% (Kalam 2021). By contrast, annual loan recovery rates for Grameen America – which as we recall has now been operating for 15 years – are high and currently sit at 99.8% (Grameen America 2024).

It is important to bear these differences in programmatic longevity in mind when considering the challenges experienced by the Grameen Today program in Australia. As we saw in Section Two, the capacity for organisational experimentation, learning and adaptation – a process which

requires both time and a sufficient “financial cushion” (Kalam 2021) – is regarded critical to the survival and long-term sustainability of microfinance initiatives, particularly in the Global North (Roodman and Qureshi 2006). Reflecting on Grameen Today’s relatively short operational runway, Jan, a Grameen Australia employee with direct experience of both the Grameen Today Program and the operation of the Grameen Bank Model in the Global South noted:

I remind you again, Professor Yunus started the Grameen Bank in 1976, '77, '78, '79 – so after four, five years, it was still learning. One year is nothing. (Jan – Program Manager)

Bearing this wider context in mind, our analysis of the data suggests that the relatively low rates of loan recovery achieved by the Grameen Today Program during the first 16 months stemmed from the two interconnected factors:

- Overly optimistic initial expectations around membership and loans during the early roll-out of the Pilot Program.
- The conflict between key elements of the Grameen Bank Model and the operational imperative to quickly recruit new members into the Grameen Today Program.

We explore each factor in detail below.

Overly optimistic initial expectations around membership and loans during the early roll-out of the Pilot Program

In Phase One of this review, our analysis of internal Grameen Australia documents and the assumptions underpinning the decision to commence operation in Australia highlighted the overly optimistic estimates around membership and loans the during the first 12 months of operation. We found also that Grameen America – an example of a successful adaptation of the Grameen Bank Model in the Global North – informed the decision-making process. Reflecting on the decision to launch the Grameen Today Pilot Program, one senior representative from an Australian not-for-profit organisation supporting low-income women entrepreneurs made the following observation:

So, the ambition was, I think, based on the promise of what Grameen had done in other contexts, globally. (Ellis – not-for-profit management team)

Our analysis suggests that these optimistic estimates were also used to inform early expectations of the Grameen Today Program, specifically around the outcomes to be achieved, leading to pressure on newly appointed front line staff – in particular on the original cohort of

four Grameen Australia Centre Managers – to recruit and approve microfinance loans to low-income women members who subsequently proved to be either unwilling or unable to repay the loan.

Our analysis also makes clear that these four Centre Managers were an essential element of the Grameen Today roll out, responsible both for recruitment and loan approval and providing an essential point of contact as well as a source of advice and support for the new Grameen Today members:

It was just somebody that we can at least check in with if you didn't feel comfortable talking with anybody else. They also knew the loan program well enough, and they were connected to the lenders. They were the middleman. She (the Centre Manager) understood really well because she also had a business of her own. (Carmel – Grameen Today member)

Reflecting the cultural diversity within the pilot project site in Greater Melbourne – 34.9% of Melbournians speak a language other than English at home, and 40.2% were born overseas (ABS 2016) – the Centre Managers were each allocated responsibility for recruiting members from a specific cultural community. As Ash, a Grameen Australia Centre Manager, describes:

I was part of a group that Grameen hired as Centre Managers, I was hired to assist with the cohort in the Vietnamese community. And in fact, there was another Centre Manager, she was also hired for the Vietnamese community... they had only one for the Arabic community, and one for the African community too. (Ash – Centre Manager)

Reflecting on those early months of operation, Ash goes on to relate how the Centre Managers responded to “performance pressure” by signing up new members and providing loans:

In all honesty, the program was under performance pressure from the beginning, basically, because of funders, whether private funding or from the government. So, the Centre Managers just went out and signed up members and provided loans. And by October/November 2022 there were a lot of issues with repayments. (Ash – Centre Manager)

Jan, another Grameen Australia employee with first-hand experience of the Grameen Today Program describes a similar issue, namely a focus on the quantity of loans offered rather than the suitability of the individual for the Grameen Today Program.

There were some gaps at the beginning of the program, the colleagues who started to organise the people [members] had no clear understanding about the program. So, they just organised the people for the sake of increasing the numbers, maybe to fulfil the demands of the management or to make management happy. They just found people in the market side, they found people in the roadside, they found people through some references. After that it was just money, money. The right people, they continued in a good way. The wrong people, they did not continue in a good way. Meaning they started not to pay back the money. Not to do their business. (Jan – Program Manager)

In the interview extract above, Jan describes the rapid recruitment of members in response to management demands but also the absence of any clear strategy to ensure that new members were the “right people”; in other words, an appropriate fit for the Grameen Today Program. Jan went on to explain another equally important consideration, namely, to ensure that the Grameen Today Program – particularly the requirement that the loan be used to establish or build a (micro)business – was a proper fit for the prospective member:

Actually, this program has some messages. The message is that this program is not for everyone. This program is for businesspeople, this type of the people ... So, this message was not clear to the people. As a result, the member who was supposed to join the program, she joined but the member who was not supposed to join the program, she also joined. (Jan – Program Manager)

Reflecting on her own experience as a Grameen Today member, Sian also spoke of the need to ensure that the women who joined the program were business people ready and willing to “do the business”:

Maybe [Grameen] don't pick right people to give the money and they don't pay them back, and they're frustrated. At first, I want them to see who is working, who is willing to do the business, the right people, don't just give any person without seeing they're moving or they have something in ground". (Sian – Grameen Today member)

The idea that the Grameen Bank Model is best suited to a particular type of member provides a neat segue to the second factor contributing to the low rates of loan recovery during the Grameen Today Pilot Program, namely the conflict between the Grameen Bank Model and the operational imperative to quickly recruit new members during the early months of the Grameen Today Program.

The conflict between the Grameen Bank Model and the rapid recruitment of new Grameen Today members

As we saw in Section One, one of the critical features of the Grameen Bank Model is the replacement of traditional loan collateral and credit checks with social collateral. In Global South countries like Bangladesh, social collateral manifests as community-based pressure to repay loans, thereby maintaining the creditworthiness of the wider group, and is reinforced by complex social ties and relationships within close knit communities (Goldberg and Miller 2003).

Reflecting on the characteristics of community life in a large Australian city, Jan, a Grameen Australia employee with experience of the Grameen Bank model in the Global South, observed “a gap among the neighbours here” and what they described as “weak community bonding”. By contrast, in Global South countries, Grameen Bank members use local knowledge and long-standing relationships to self-select ‘trustworthy’ borrowers to join their member groups. Importantly however, this process of organic member-driven growth, enabled by local knowledge and close interpersonal relationships, takes time to implement (Goldberg and Miller 2003).

Reflecting on this process within the Grameen Bank Model, Jan notes:

It takes time. Basically, the program takes time. The program is not supposed to grow so fast... Don't run fast, fast, fast. Quality. Always maintain quality, not the quantity. (Jan – Program Manager)

Our analysis of the data shows that this foundational feature of the Grameen Bank Model was very much at odds with the expectation that the Grameen Today Pilot Program would build a substantial membership base and loan portfolio over a 16-month period, with the result that Centre Managers were caught between a rock and a hard place. Our analysis shows also that there was no easy way to resolve this particular conflict between the Grameen Bank Model – a microfinance model designed in the first instance to meet the needs of low-income women entrepreneurs in the Global South (Yunus 1998) – and the programmatic expectations and timeframes of the management and funders of the Grameen Today Pilot Program.

In response to these lower-than-expected levels of loan repayment during the early months of the Grameen Today program – and reflecting a change in senior management within Grameen Australia – discussions took place around whether to modify the loan application process with the addition of credit checks for all loan applications. Credit checks were seen as a response to the reality of recruiting members in a city as large and diverse as Melbourne and a means of

providing an additional data point to help improve member selection. Although credit checks were not ultimately implemented interviewees still reflected on their potential impact.

For one interviewee this change would have been a significant shift away from one of the key tenets of the Grameen Bank Model:

The Program was a model of trust – we trust you enough that we don't do credit checks on you, it would have become a model of credit checks. (Ash – Centre Manager)

While the use of credit checks could have provided centre managers with additional and highly relevant information to help inform the loan application process, another interviewee questioned the value of requiring credit checks for all loans irrespective of size given the additional resources – both staff time and financial – that this required.

And I said, for \$5000, to be honest, you might as well give the money away. It's the paperwork and the decision-making involved. You might as well just make the grant, and if they work, they work. If they don't work, they don't work and that's the end of it, right? (Jordan – not-for-profit management team)

Reflecting the need to balance these competing priorities, Ash suggested the following modification:

I suggested maybe we could compromise, so if anyone is wanting to borrow say \$3000 plus, by all means do the credit check. But anything under \$3000, why do the credit check? Because a credit check also incurs a fee for Grameen too. (Ash – Centre Manager)

Comparing the Grameen Today Pilot Program with Grameen America

The Phase One (Contextual Analysis) of this Review highlighted how the success of Grameen America – particularly with respect to membership numbers and high rates of loan recovery – was seen as indicative of the potential of the Grameen Bank Model in Australia.

Our analysis suggests that Grameen America’s adaptation of the Grameen Bank Model informed both early decision-making and the subsequent roll out of the Grameen Today program in Australia. Reflecting on how Grameen America became the yardstick against which the success of the Grameen Today Pilot Program was measured, former Centre Manager, Ash, commented that:

It (the loan repayment rate) was very below the standard in other countries, like in America, that we were compared to. Because Grameen America was the model that we were being based on. (Ash – Centre Manager)

Given the significant differences between the two programs this comparison appears unjustified. As the literature shows, it is important to bear in mind both the local socio-political context (Barua and Khaled 2023; Jakimow 2014; Kah and Schuster 2016; Radhakrishnan 2015) and the capacity for organisational experimentation, learning and adaptation (Roodman and Qureshi 2006) when comparing and learning from the experiences of Grameen Bank adaptations in other Global North countries.

Grameen America was able to refine its adaptation of the Grameen Bank Model through a continuous process of well-funded organisational learning and adaptation taking place over 15 years (Kalam 2021). By contrast, the expectations around membership and loans together with the resultant “performance pressure” on frontline staff meant there was very little opportunity for organisational learning and adaptation within the newly established Grameen Today Pilot Program during the first 16 months of operation.

Adapting the Grameen Bank Model in Australia: weekly member meetings and loan repayments

Alongside the positive or neutral changes expressed in the member survey, members noted several common challenges they experienced through their involvement in the program. This section explores these challenges and how they relate to the Grameen Bank Model adaptation in Australia.

As a final question, surveyed members were asked the optional question of whether they had anything else to share about Grameen Today. The question prompted members to consider ‘the best aspect of Grameen Today, how it has or hasn’t met your expectations, or if there’s anything else that Grameen Australia could do to improve Grameen Today’. There was a total of 69 different comments from the 55 survey respondents. The majority (86.9%) of these comments related to challenges the members faced and improvements they would like to see adopted, while 13.1% of comments reflected either positive feedback, or no identified improvements. Figure 7 highlights the breakdown of suggested improvements.

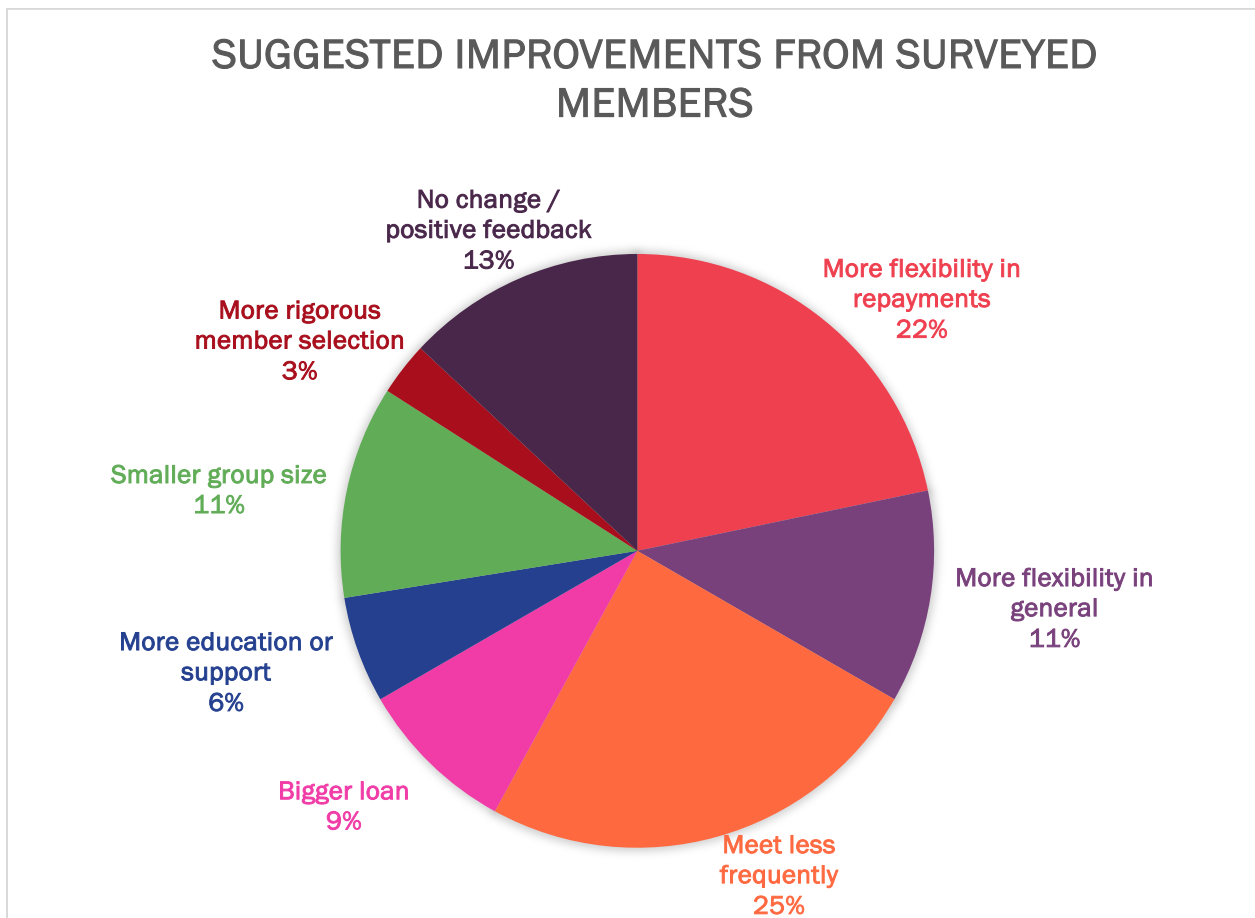


Figure 7. Suggested improvements from Grameen Today surveyed members

It was clear there were two main challenges faced by the Grameen Today surveyed members:

- Challenges related to the member group, primarily related to the frequency of member meetings (25%) but also considering:
 - group size (11%), e.g. “group of 5 people is hard to find” (surveyed member) and,
 - member selection criteria (3%), e.g.: “be careful when you choose a new member” (surveyed member)
- Challenges related to the loan, primarily related to loan repayment flexibility (22%) but also to the size of the loan (9%).

Weekly meetings: the requirement that members attend weekly member group meetings

As discussed in Section Three, Grameen Today members strongly valued the social connections and relationships they had built through the program. Meetings are a “vital cog in the Grameen

model” (Kalam, 2021, p.285) and are typically and historically held weekly to assist with loan recovery, group cohesion and skill development. However, in the modern Australia context, data analysis from the surveys and interviews highlights that the frequency of weekly meetings is unnecessary and too onerous on members. One quarter of all survey responses indicated a challenge maintaining weekly meetings, and several members suggested transitioning to a fortnightly, or even monthly, meeting cycle instead:

- *Hard to commit to weekly meetings. Fortnightly better to allow for more change and measurement of what we did. Information exchanged constantly in group messaging.* (Surveyed member)
- *Weekly meeting is not necessary.* (Surveyed member)

This sentiment was reflected in the member interviews, where it was reinforced that members have very demanding lives and continue to connect over group messaging, outside of the weekly meetings.

Meeting [with other women is] very useful, but... a meeting once a week is too much. [I] want maybe two weeks or monthly, something like that. (Doris – Grameen Today member).

I think weekly was a little bit intense, more so because everybody’s schedule isn’t as predictable as they would like it to be. Some of the women are casual workers as well so would be picking up jobs here, there and everywhere. ... I think meeting that frequently was a little bit tough, and a bit of a high expectation, but I think fortnightly would make more sense. ... We met in person, as well as met over WhatsApp. We would do weekly phone calls. (Carmel – Grameen Today member).

Drew, a Grameen Australia Centre Manager with responsibility for Grameen Today’s Vietnamese members, questioned the value of the weekly meetings for those members with nascent small businesses who still relied mainly on other forms of paid employment.

I would say about 20 percent are happy with the meetings, the rest don’t really like it. The people who have their small businesses they like the meetings because often they can sell to other members. Others have to work in other jobs and they have families to look after and they don’t find any benefit in the meetings. (Drew – Centre Manager)

Here it is useful to recall that, in addition to building or growing their own business, 41.8% of Grameen Today members had paid work outside the home and 73.5% of Grameen Today

members had in-home care responsibilities (with just under half of the women (45.3%) being sole parents). One Grameen Australia staff member also noted that a great number of Grameen Today members were forced to fit their microbusinesses around their paid employment, working in the evenings and on weekends in order to do so.

More than 50% women, they work outside their Grameen Bank Business. They work 9.00 to maybe 5.00, and in the evening, then they do their businesses. Weekend, they do their businesses. When they stay at home, they do their businesses. So, they're working, and at the same time, they are doing their business. (Jan – Program Manager)

Another Grameen Australia staff member reflected that the weekly meetings, alongside other elements of the Grameen Model, were not appropriate under the Australian context, particularly considering the Australian welfare system and the move to online direct-debit repayments.

I don't think the Grameen model worldwide – I'm not speaking on a country-base but a worldwide model, the model that originally came from Bangladesh and is being applied everywhere in the world – I don't think that model suits here, Australia. I'm talking about the weekly meetings, weekly repayments, and centre meetings. Those are the three things I don't think are suitable for Australia.

Because... the welfare system, they have that as a backup in Australia, they don't have that as a backup in other parts of the world. And if they don't attend these centre meetings or weekly meetings, it has no impact on them because of the welfare they will continue to get... And here in Australia nobody pays in cash, it's all set up direct debits or transfer, bank transfer, so that aspect of the weekly meeting to collect payments is not right for Australia. (Ash – Centre Manager)

Loans: loan size and weekly loan repayments schedule

Along a similar theme, it was also felt that the weekly loan repayment schedule was too rigid and didn't reflect the lived experience of the Grameen Today members. We know that two-thirds of all Grameen Today members reported an annual household income of <\$39,999, categorising them within the lowest quintile of household wealth in Australia. Grameen staff reflected on the delicate tightrope these women were navigating daily: working multiple jobs; caring for children or other family members; navigating a system in a language different to their main language. Reflecting on the role of programs like Grameen Today in the lives of these entrepreneurial, time-poor women, Jordan, a senior management team member from another Australian not-for-profit organisation supporting low-income entrepreneurs from CALD backgrounds, noted that:

We're just the witch's hat, one of many that they navigate through, right because their endpoint is somewhere else. Their endpoint is to set up businesses as quickly as possible and as profitably as possible, get their kids settled into schools so that they can become the beneficiaries of a good education. That then leads to good jobs. So essentially we just play a role, we're filling role. (Jordan – not-for-profit management team)

Several members indicated that their paid income was on a fortnightly cycle which was mismatched to their Grameen weekly loan repayment cycle and made the repayments challenging, especially considering the current cost of living crisis.

[I] want the repayment, at the moment it's weekly, and if it can change to fortnightly would be better. ... a lot of people get wages every two weeks; this would be easier to pay fortnightly than weekly. (Kristy – Grameen Today member)

Our analysis of the online survey and interview data also suggests the need for greater flexibility around the quantum of the loan offered, in particular for larger loans to meet the needs of women looking either to grow their existing business through an injection of funds or for capital to purchase stock or equipment when setting up a new business. Within the online survey, 9% of respondents suggested access to larger loans as a way to improve the Grameen Today Program. Amongst the Grameen Today members we interviewed opinions were mixed: while some interviewees felt the amount borrowed met both their needs and their budget, others would have liked the option to borrow more money. For Kristy, the initial loan of \$2500 did not cover all the costs involved in starting her own cleaning business:

It's not enough, [I] had to borrow more from [my] friend. [I] need like \$4-5,000, not only \$2,500... [I] want more flexibility, so a member can get bigger loans because at the moment it's too low. (Kristy – Grameen Today Member)

Sian imports what she describes as “modest clothing for Muslim women”. She borrowed \$4500 to expand her business but needed more money to cover the cost of refreshing her stock and keeping her customers happy, so used her salary to cover the difference:

It wasn't enough. I invested my – about \$12,000 from my salary, I work another job, I'm a disability support worker. (Sian – Grameen Today Member)

Vikki borrowed \$4000 to expand her business selling Australian cherries, sticky rice and other food products online to customers in Australia and Vietnam, but would have liked to have had the option to borrow more:

\$4000 is not enough to grow the business, \$10,000 would have been better. (Vikki – Grameen Today Member)

Reflecting on her own experience both as a Centre Manager working closely with entrepreneurial low-income women from Melbourne's Vietnamese community and as a small businesswoman herself, Drew questioned also whether the Grameen Bank Model of small business loans of less than AUD \$5000 was sufficient to meet the needs of women looking to start a small business in Australia.

Some women they only get a few thousand and I feel like you can't really start a business in Australia with only a few thousand. With that money you can't lawfully start a business. I started my business in Australia and it cost \$9000 so how can you start a business with \$3000? (Drew – Centre Manager)

We put the challenge of applying this particular element of the Grameen Bank Model in an Australian context to Ellis, a senior management team member from an Australian not-for-profit organisation supporting low-income women entrepreneurs. While recognising the role of organisations like the Grameen Bank in creating and supporting a space for female entrepreneurship in the Global South, Ellis raised a similar concern noting how access to welfare benefits in Australia created a very different local context:

So much of the genesis of female entrepreneurship has come from work in the Global South but the fundamental difference in Australia – compared to those other developing markets – is welfare. Our safety net creates a fundamentally different context in which small loans are relevant or not relevant. (Ellis – not-for-profit management team)

Similarly, Jordan argued that the Grameen Bank Model of small loans gradually increasing in size over time was unable to meet the needs of low-income women looking to start or grow their own small business in Australia:

That was something that I also thought was fundamentally flawed with the Grameen model, it's just a small sized loans. You know, in Australia, \$5000 doesn't get you anything. (Jordan – not-for-profit management team)

Reflecting on their own experience working within the microfinance sector and for a not-for-profit organisation, Jordan also spoke of the importance of being responsive to the needs of the women entrepreneurs, being prepared to rethink and adapt programs, and of the need for honest and open discussion within the organisation:

But you do have to have the intellectual discussion about it. It doesn't just doesn't happen in a vacuum. (Jordan – not-for-profit management team)

Adapting the Grameen Bank Model in Australia: continuous member training

As we saw in Section One, the Grameen Bank Model includes a program of “continuous member training” designed to familiarise members with the internal processes, ethos and methodology of the Grameen Bank Model rather than on the principles and practice of business and entrepreneurship (Kalam 2021). While Grameen UK chose a different path, building a culturally diverse cohort of entrepreneurs supported by tailored “needs-based” (and costly) business training, Grameen America has adopted the Grameen Bank Model template and continues to provide its members with continuous training in Grameen Bank values, principles and processes.

The Grameen Today Pilot in Australia provided continuous member training on the different elements of the Grameen Bank Model, including financial skills such as saving and weekly budgeting, as well as a program of member mentoring comprising individual discussions with centre managers and group discussions on business-related issues in weekly member meetings. There is certainly evidence to suggest that many Grameen Today members found this particular mix of financial skills training and support beneficial. As we saw in Section Three, our analysis of the responses to the open question in the online member survey shows that overwhelmingly, the biggest change from being part of Grameen Today related to members' *finances and financial situation* (44% of all responses) with members highlighting changes to their financial management skills, financial freedom, financial literacy and business growth. In the extract below Dina describes the skills and knowledge she acquired as a member of the program:

We did the training for the first time when we started to do the borrowing. They teach us how to save money. And then you take money here and you save on the other side. So,

income and expenses and saving at the same time. Another thing's the commitment to being paying the loan back on time and you prioritise that. It's part of your bills, and Grameen gives us a certain and particular time to repay the loan – like every week.

You can learn a lot of skills from this program. Communication skills, networking and also how to run the business. (Dina – Grameen Bank Member)

While it is clear that many members valued the opportunity to discuss their own businesses with their Centre Manager and the other members of their group, the argument was also made that Grameen Today members, particularly those at the very beginning of their small business journey, would have been better served by a well-designed program of business training, including the fundamentals of business planning.

For Ash, a former Grameen Australia Centre Manager, this lack of any business training within the Grameen Bank Model was both a shortcoming and a red flag. As result he was reluctant to approve loans for many women wanting to start their own small business.

One of the main reasons why I declined a lot of members was what I saw as Grameen's lack of business training for these people. If you're going into business, I need to know what your business plan is. I come from a background as a business entrepreneur and also in banking and finance, I could see there were all these people who wanted to start a business but they had no business training. They would not be able to survive.

Other community organisations, provide the necessary business training, so their participants know how to run a small business properly, the business structure, the finance ...but with Grameen, we didn't have any of that. We just had very limited mentoring To me it was more like, "Here's the money, go off and do your own business." (Ash - Centre Manager)

Reflecting on his own experience working in the microfinance sector and supporting low-income entrepreneurs in Australia, Jordan described the importance of teaching borrowers about *"the harsh realities about our legal system compliance."* Jordan proposed an alternative, business-skills orientated program of training for Grameen Today members, one that focussed on the knowledge needed to navigate Australia's relatively complex regulatory environment.

You know, regardless of who they are, 80% of people that start a business today won't be around in three years' time. The failure rate of small businesses in Australia is very

high. Most of it is because they do no planning. They have a good idea; they have a bit of money and then they get hit with reality.

In that way the Grameen model is a little bit antiquated because the advice their members need is very straightforward and for the amount of the loan money is really not that huge. But the specific areas, you know, GST, ABN, insurance. If you're going to cook from home, have you got a council permit? That's important. The rest they can sort themselves out doing a 5–6-week course. I think the Grameen Bank Model is OK maybe in rural Bangladesh where they've got no other resources but wouldn't be that relevant today in Dhaka. (Jordan – not-for-profit management team)

In a similar vein, Drew highlighted the importance of the local regulatory context and the need to ensure that women looking to start their own home catering business in Australia were aware of and complied with food safety regulations.

A lot of the members do home cooking to sell at Sunday markets. Actually, doing the food industry in Australia is very hard, the food has to be in commercial kitchens and you have to have a food safety certificate... Especially the women who don't speak English – they don't really know how to do it and they don't know how to do all the paperwork. (Drew – Centre Manager)

Drew went on to compare her own experiences of the Grameen Bank Model in rural Vietnam and in a large Australian city.

In Vietnam there were no factories, there were no jobs, many women had no education and you could work all day and only earn \$1.00. In Vietnam the program is very successful. In Vietnam you can start a business with \$100 and the rules and everything are easier. I find in Australia everything is more complicated. (Drew – Centre Manager)

Looking beyond the need to ensure that new members had the skills and knowledge needed to confidently start their small business in Australia, Ash described how a well-designed program of business training and mentoring could help ensure members repay their loans while also building sustainable, income generating, small businesses:

If Grameen had a proper training program they could do away with the weekly meeting because the business mentoring and coaching from a third party would keep these members in line, in terms of having the business going on the right path. If they're going

on the right path, they can make money, and if they can make money, they can make repayments. (Ash - Centre Manager)

In this section we have explored how the adoption of the key features of the Grameen Bank Model in an Australian context created a series of challenges for the Grameen Today Pilot Program. We saw how the Grameen Today Program struggled to meet programmatic expectations around both membership and loans within a relatively short time frame; a task made more complex by the Grameen Bank Model focus on slow, member-driven growth and the use of social collateral to secure the loan. The resultant low rates of loan repayment meant the Grameen Today Program was unable to consistently achieve another critical element of the Grameen Bank Model, namely high rates of loan recovery. In an effort to both learn and adapt to the local context, Grameen Australia considered requesting credit checks for each new loan. Credit checks would have created a more robust but at the same time more resource-intensive financial framework.

Next, we turned our attention to another critical feature of the Grameen Bank Model, compulsory weekly member meetings and loan repayments. While recognising the value of these meetings as a way of building social connection, and for those members looking to grow an existing business as a way of reaching new potential customers, we saw how the requirement to meet weekly was often seen as onerous and not aligned with the already very busy lives of the Grameen Today members. Our analysis suggests that other more flexible, member-driven forms of online communication such as WhatsApp were better suited to the needs of entrepreneurial women in Australia. Similarly, the Grameen Bank Model of small loans starting at around \$4000 were seen as insufficient to meet the needs of all Grameen Today members and their businesses, many of whom would have liked the option to borrow more money. This in turn reflects the wider local context and the relatively high cost of starting or growing a small business in Australia.

Finally, we considered the transferability of the Grameen Bank model of continuous member training – with its focus on the foundational principles of the Grameen Bank model – to the Australian context. We found that many members found the Grameen Today program of member training and mentoring valuable, particularly as a strategy for building networks and enhancing financial skills and business knowledge. At the same time our analysis suggests that navigating Australia's relatively complex regulatory environment requires a different approach to member training, one that equips them with the knowledge needed to comply with the various legal

requirements and, in doing so, provides them with a strong foundation on which to build a successful small business.



Photo Source: [Trung Nhan Tran](#) on [Unsplash](#)

SECTION FIVE: KEY FINDINGS AND LESSONS

Section outline

In this section we summarise the key findings and learning from this review. To do so we draw on our analysis of the responses to the online survey, the semi-structured interviews and our earlier analysis of Grameen UK and Grameen America, two earlier adaptations of the Grameen Bank Model in Global North countries. The key findings emerge from and are designed to be read in conjunction with the more detailed discussions in Sections Three and Four.

There is space for a microfinance initiative in Australia that focuses on low-income, entrepreneurial women, primarily from a culturally and linguistically diverse (CALD) background.

I'm also working with recent migrants and refugees and asylum seekers. They might have different backgrounds, but they have transferable skills here in Australia. Whether they've been unemployed recently or for a couple of years, but they have been in work before and they have transferable skills, they can apply them and become self-employed here.

And there is a need out there, I can see especially amongst CALD women, there is a need for a program providing small financial assistance to get the business up and running. They don't need \$20,000 or whatever. And that is where Grameen can play a great part. (Ash – Centre Manager)

As we saw in section three, 100% of all women participating in the Grameen Today Program came from a CALD background. Interviews reflected that, for some women, the loans provided to them helped them feel good about themselves and their purpose, and hopeful for their futures.

- 80% of members surveyed felt their participation in Grameen Today had improved their sense of **social inclusion** in some way;
- 79% of members surveyed felt their participation in Grameen Today had improved their sense of **choice and empowerment** in some way;

- 73% of members surveyed felt their participation in Grameen Today had improved their sense of **finance and financial situation** in some way.

Any Australian microfinance initiative must be capable of adapting to the demands of the Australian context.

And you just can't transplant something like the Grameen Bank Model to Australia. If what you're trying to do is unlock the power of these women, it has to be grounded in the women, and it can't just be transplanted from another context. (Ellis – not-for-profit management team)

Notwithstanding the longevity of the Grameen Bank Model throughout the Global South, as well as the success of Grameen America, understanding and responding to the local context is critical to the success of any microfinance initiative looking to support low-income entrepreneurial women in Australia. The cultural heterogeneity of Greater Melbourne and Australia in general; the relatively high cost of living particularly in large Australian cities; the shift to online banking practices; and the fact that “necessity entrepreneurship” (GEM 2004) differs in an Australian context, in part due to access to a relatively generous Australian welfare benefits system, means a ‘copy and paste’ of the traditional Grameen Bank Model is not appropriate and will not be successful in the Australian context.

Any Australian microfinance initiative looking to support low-income women – particularly women from CALD communities – to establish or build their own business must be easy to access, transparent and responsive to its members’ needs.

And focus more on making the process of giving the loans easy, but with good rules. Not overwhelming rules, like not going out and visiting people’s houses twice, but good rules which make it clear, and then you’ve got to put the right support around the people who get the loans. (Ash – Centre Manager)

The women receiving Grameen Today loans typically experienced multiple barriers to accessing traditional finance: at least 82% spoke a language other than English at home and 45% were sole parents caring for child/ren. These women had complex, demanding lives and microfinance initiatives supporting them need to consider their capacity to participate in regular meetings; the

need for flexible loan repayment schedules; and realistic loan amounts needed to sustain a small business.

In Australia microfinance business loans need to be supplemented by a sound lending framework and appropriate business training.

The whole loan process has to be tied up to sound lending practices. A good lending framework will cover much of the need for training the women because you will do that simply as part of the loan application process. (Jordan – not-for-profit management team)

The majority of Grameen Today members would have benefited from business skills development, with a particular focus on the skills needed to successfully navigate Australia's relatively complex regulatory environment. Microfinance initiatives designed to support low-income women from CALD communities should provide this training as part of a broader lending framework designed to actively support women to build a sustainable small business.

Microfinance initiatives, including Grameen Bank adaptations, need to be accompanied by rigorous external evaluation made public and freely available so that the learnings can be shared internationally.

We don't just tell the story without challenging ourselves about the parts of it that work well and the parts don't work well. (Ellis – not-for-profit management team)

Research documenting both the successes and failures of Grameen Bank adaptations in the Global North is relatively sparse. We would also note the apparent lack of any publicly accessible, independent evaluation or review of Grameen UK commissioned by either the Grameen Bank Trust or any other Grameen Bank institution with oversight of in-country adaptations of the Grameen Bank Model. Given that the Grameen Bank Model is still relatively new in the Global North, the findings from an independent evaluation of Grameen UK would have provided an invaluable source of insights and organisational learning. It goes without saying that the team tasked with establishing Grameen Australia and implementing the Grameen Today Pilot Program would have benefitted immensely from any independent evaluation of Grameen UK's five years of operation.

REFERENCES

- Aghion, B A and Morduch J. (2005). *The Economics of Microfinance*, Cambridge: MIT press
- Australian Bureau of Statistics (2016). Census Quick Stats: Greater Melbourne and Greater Sydney. Available at: <https://www.abs.gov.au/census/find-census-data/quickstats/2016/2GME> and <https://www.abs.gov.au/census/find-census-data/quickstats/2016/1GSYD>
- Australian Bureau of Statistics. (2020). Household Income and Wealth, Australia. Available at: <https://www.abs.gov.au/statistics/economy/finance/household-income-and-wealth-australia/latest-release#household-income-and-wealth>
- Australian Bureau of Statistics. (2023, May 2). *New Census insights on income in Australia using administrative data*. ABS. <https://www.abs.gov.au/articles/new-census-insights-income-australia-using-administrative-data>
- Australian Bureau of Statistics (2023). Population clock and pyramid. Available at: <https://www.abs.gov.au/statistics/people/population/population-clock-pyramid>
- Australian Institute of Health and Welfare. (2023) Household Gross Income. Available at: <https://meteor.aihw.gov.au/content/269756#:~:text=Definition%3A,for%20all%20household%20members>
- Balkin, S. (1992). Entrepreneurial activities of homeless men. *J. Soc. & Soc. Welfare*, 19, 129.
- Barua, U., & Khaled, A. F. M. (2023). The Grameen Bank Microfinance Model in the Global North: Processes, Transfer Intermediaries and Adoption. *Journal of Comparative Policy Analysis: Research and Practice*, 25(5), 546-563.
- Bernasek, A. (2003). Banking on social change: Grameen Bank lending to women. *International Journal of Politics, Culture, and Society*, 16, 369-385.
- Confraria, H., Godinho, M. M., & Wang, L. (2017). Determinants of citation impact: A comparative analysis of the Global South versus the Global North. *Research Policy*, 46(1), 265-279.
- Counts, A. (2008). *Small loans, big dreams: How Nobel prize winner Muhammad Yunus and microfinance are changing the world*. John Wiley & Sons.

Davidson, P., Bradbury, B., & Wong, M. (2023), Poverty in Australia 2023: Who is affected. *Poverty and Inequality Partnership Report no. 20*. Australian Council of Social Service and UNSW Sydney. Available at: https://povertyandinequality.acoss.org.au/wp-content/uploads/2023/03/Poverty-in-Australia-2023_Who-is-affected_screen.pdf

Edelman, M. (2020). Extension demonstration: Grameen microfinance methods and capital access for low-income female entrepreneurs. *Journal of Extension*, 59(2), Article 1.

Feasibility and Business Plan Microfinance Social Business in Australia. (2019). Prepared for Grameen Australia.

Gerard, K., & Johnston, M. (2019). Explaining microfinance's resilience: the case of microfinance in Australia. *Globalizations*, 16(6), 876-893.

Global Entrepreneurship Monitor. (2004) Report on Women and Entrepreneurship, 2004[online] Available at: <http://gemdev.dev.marmaladeontoast.co.uk/docs/277/gem-2004-report-on-women-and-entrepreneurship>

Goggin, N., Dayson, K., & McGeehan, S. (2010). The microcredit sector in the United Kingdom: The role of CDFIs. In *Handbook of microcredit in Europe*. Edward Elgar Publishing.

Goldberg Miriam and Miller John. (2003). To Get That Little: A Computational Model Microfinance [online] Available at: http://www.santafe.edu/media/cms_page_media/258/goldberg.pdf

Grameen America. (2024). Our Impact. Available at: <https://www.grameenamerica.org/impact>

Grameen Australia. (2024). Who are we. Available at: <https://grameen.org.au/who-we-are/>

Hossain, D. M. (2013). Social Capital and Microfinance: The Case of Grameen Bank, Bangladesh. *Middle East Journal of Business*, 8(4).

Hossain, A., Naser, K., Zaman, A., & Nuseibeh, R. (2009). Factors influencing women business development in the developing countries: Evidence from Bangladesh. *International journal of organizational analysis*, 17(3), 202-224.

Jakimow, T. (2014). Decentralised governance as sites for self- formation: A comparison of practices of welfare distribution in Telangana, India, and Central Lombok, Indonesia. *International Journal of Asian Studies*, 11(2), pp161–185.

Kalam, A. (2021). *Institutional challenges of the Grameen model: UK and USA experiences* (Doctoral dissertation, Birkbeck, University of London).

Karlan, D., & Valdivia, M. (2011). Teaching entrepreneurship: Impact of business training on microfinance clients and institutions. *Review of Economics and statistics*, 93(2), 510-527.

Kumar, D., Hossain, A., & Gope, M. C. (2013). Role of micro credit program in empowering rural women in Bangladesh: A study on Grameen Bank Bangladesh Limited. *Asian Business Review*, 3(4), 114-120.

Nawaz, A. (2010). Issues in subsidies and sustainability of microfinance: An empirical investigation. Working papers CEB, 10.

OECD (2022). Adequacy of minimum income benefits. Available at: <https://data.oecd.org/benwage/adequacy-of-minimum-income-benefits.htm>

OECD (2022). Adult education level. Available at: <https://data.oecd.org/eduatt/adult-education-level.htm>

OECD (2022). Self-employment rate. Available at: <https://data.oecd.org/emp/self-employment-rate.htm>

OECD. (2023). Better Life Index: United States. Available at: <https://www.oecdbetterlifeindex.org/countries/united-states/>

OECD (2023). Earning and wages - gender wage gap. Available at: <https://data.oecd.org/earnwage/gender-wage-gap.htm>

OECD (2023). Net childcare costs. Available at: <https://data.oecd.org/benwage/net-childcare-costs.htm#indicator-chart>

OECD (2023), Poverty rate (indicator). doi: 10.1787/0fe1315d-en (Accessed on 12 November 2023)

OECD (2023). Working hours needed to exit poverty. Available at: <https://data.oecd.org/benwage/working-hours-needed-to-exit-poverty.htm>

Oosterbeek, H., Van Praag, M., & Ijsselstein, A. (2010). The impact of entrepreneurship education on entrepreneurship skills and motivation. *European economic review*, 54(3), 442-454.

Pew Research Centre (2023). Key facts about U.S. Latinos for National Hispanic Heritage Month. Available at: <https://www.pewresearch.org/short-reads/2023/09/22/key-facts-about-us-latinos-for-national-hispanic-heritage-month/>

Plant, A., Warth, S., & Spice, W. (2013). Community Development Financial Institutions Pilot Evaluation. *Canberra, Australia: Department of Families, Housing, Community Services and Indigenous Affairs, Government of Australia.*

Radhakrishnan, S. (2015). "Low profile" or entrepreneurial? Gender, class, and cultural adaptation in the global microfinance industry. *World Development*, 74, pp.264-274.

Rahman, H. (Ed.). (2021). *Human-computer Interaction and Technology Integration in Modern Society*. IGI Global.

Richardson, M. (2008). Increasing microlending potential in the United States through a strategic approach to regulatory reform. *J. Corp. L.*, 34, 923.

Roodman, D., & Qureshi, U. (2006). Microfinance as business. *Center for Global Development*, 2.

Schaberg, K., Holman, D., Victoria Quiroz Becerra, M., Hendra, R. (2022). Pathways to Resilience: 36-month Impacts of the Grameen America Program. MDRC. Available at:

https://www.mdrc.org/sites/default/files/Grameen_36-month_Report_FINAL.pdf

Sheremenko, G., Escalante, C. L., & Florkowski, W. J. (2012). *The Universality of Microfinance Operations Model in Eastern Europe and Central Asia: Financial Sustainability vs. Poverty Outreach* (No. 323-2016-11908).

Sobhan, M. A. (2014). Corporate governance reform in a developing country: the case of Bangladesh.

Taub, R. P. (1998). Making the adaptation across cultures and societies: A report on an attempt to clone the Grameen Bank in southern Arkansas. *Journal of Developmental Entrepreneurship*, 3(1), 53.

Trinidad, F. L. (2020). Structural Equation Analysis of Microinsurance Dimensions: Basis for Sustainability Model of the Marginalized in the Philippines. *International Journal of Research in Business and Social Science* (2147-4478), 9(4), 228-236.

US Census Bureau. (2022). Quick Facts: New Jersey. Available at:

<https://www.census.gov/quickfacts/fact/table/NJ/POP060210#qf-headnote-b>

US Census Bureau (2023). National poverty in America Awareness Month: January 2023.

Available at: <https://www.census.gov/newsroom/stories/poverty-awareness-month.html>

Voola, A. P. (2019). Gendered vulnerabilities in Australian microfinance. *Social Business*, 9(1), 29-47.

Yunus, M. (1998). *Banker to the poor- the autobiography of Muhammad Yunus, founder of the Grameen Bank*, London: Aurum

APPENDIX A: CROSS-COUNTRY ANALYSIS

Table 4. Comparison of the Australian and American socio-political context

America	Australia
<p>Total population: 333,287,557 (AIHW 2023)</p> <p>Overseas born resident population: 13.6% (AIHW 2023).</p> <p>Life expectancy at birth: 76.4 years (US Census Bureau 2022).</p>	<p>Total population: 26,852,606 (ABS 2023).</p> <p>Overseas born resident population: 29.9% (ABS 2023).</p> <p>Cities with population > 1 million: Melbourne, VIC; Sydney, NSW; Brisbane, QLD; Perth, WA; Adelaide; SA.</p> <p>Life expectancy at birth: 83.3 years (ABS 2023).</p>
<p>Language other than English spoken at home: 21.7% (US Census Bureau 2022)</p> <p>Total Hispanic population: 63.6 million or 19% of the population (27.5 million identify with more than one race). Total Black population: 39.6 million or 13.6%. Total Asian population: 19.4 million or 6.3%. Identify with 2 or more races: 14.3 million. Total white population: 192.1 million or 75.5% (Pew Research Centre 2023).</p>	<p>Language other than English spoken at home: 22.3% Australia-wide; 34.1% Greater Melbourne; 37.4% Greater Sydney.</p> <p>Most common languages other than English: Mandarin; Arabic; Cantonese, Vietnamese, Hindi, Greek (ID Insight 2021).</p>
<p>Average household net adjusted disposable income: AUD\$80,905 (AIHW 2023)</p> <p>Overall unemployment rate: 3.6% (AIHW 2023)</p> <p>Self-employment rate for women: 5.7% (OECD 2022).</p>	<p>Average household net adjusted disposable income: AUD\$59,267 (AIHW 2023)</p> <p>Overall unemployment rate: 3.7% (AIHW 2023)</p> <p>Self-employment rate for women: 7.6% (OECD 2022).</p>
<p>Perception of support networks: 94% believe they can rely on their relatives and friends when in trouble (AIHW 2023).</p>	<p>Perception of support networks: 93% believe they can rely on their relatives and friends when in trouble (AIHW 2023).</p>
<p>Highest level of education: 8.2% of adults educated below upper-secondary level; 41.8% educated up to upper-secondary level; 50% educated up to tertiary level (OECD 2022).</p>	<p>Highest level of education: 14.8% of adults educated below upper-secondary level; 33.7% educated up to upper-secondary level; 51.5% educated up to tertiary level (OECD 2022).</p>

<p>Adequacy of minimum income benefits: a single person with 2 children receives 16% of USA's median disposable income in income benefits (OECD 2022).</p>	<p>Adequacy of minimum income benefits: a single person with 2 children receives 41% of Australia's median disposable income in income benefits (OECD 2022).</p>
<p>11.6% of all Americans live in poverty, based on the official poverty measure (income thresholds) (US Census Bureau 2023).</p> <p>Working hours needed to exit poverty, when receiving minimum income benefits: 29 hours for single person, no children; 52 hours for jobless couple, 2 children (OECD 2023).</p>	<p>13.4% of all Australians (1 in 8) live in poverty based on the 50% median income poverty line (David et al., 2023).</p> <p>Working hours needed to exit poverty, when receiving minimum income benefits: 20 hours for single person, no children; 22 hours for jobless couple, 2 children (OECD 2023).</p>
<p>Net childcare costs: for a single parent with two children in full-time childcare, childcare costs 32% of their average wage (after any benefits) (OECD 2023).</p>	<p>Net childcare costs: for a single parent with two children in full-time childcare, childcare costs 7% of their average wage (after any benefits) (OECD 2023).</p>
<p>Gender wage gap: for full-time employees, there is a 17% difference in the median income of men and women. For those self-employed, there is a 42% difference in the median income of men and women (OECD 2023).</p>	<p>Gender wage gap: for full-time employees, there is a 9.9% difference in the median income of men and women (OECD 2023).</p>

APPENDIX B: COPY OF GRAMEEN TODAY MEMBER SURVEY

Q1. About you and Grameen Today.

Please tell us how long you have been a member of Grameen Today.

- Less than 3 months
- 3-6 months
- 6-12 months
- More than 1 year
- I'd rather not say

Q2. About what's changed in your life.

How has being a member of Grameen Today changed your **choices** and **self-reliance**?

	Not relevant to me (1)	Got a lot worse (2)	Got a bit worse (3)	No Change (4)	Got a bit better (5)	Got a lot better (6)
<p>CHOICE AND EMPOWERMENT Think about your control and choice in daily life. For example, living the way you want to; having control and choice in daily living activities and lifestyle; choosing what to do and when to do it; having the skills to be empowered and independent. How has this changed for you since joining Grameen Today?</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>DECISION MAKING Think about your decision-making. For example, having the skills, confidence, and knowledge to make important decisions; have information and support provided to help your decision making. How has this changed for you since joining Grameen Today?</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>SETTING AND PURSUING YOUR GOALS Think about setting and pursuing your goals. For example, having goals that you want to work on that are meaningful and relevant to you; having your views on goals heard; making choices about goals. How has this changed for you since joining Grameen Today?</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>SELF RELIANCE AND RESILIENCE Think about your self-reliance and resilience. For example, your ability to meet your own needs; solve problems; having the self-confidence, skills, and knowledge to handle things. How has this changed for you since joining Grameen Today?</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How has being a member of Grameen Today changed your **social connections** and **sense of belonging**?

	Not relevant to me (1)	Got a lot worse (2)	Got a bit worse (3)	No Change (4)	Got a bit better (5)	Got a lot better (6)
<p>SOCIAL CONNECTIONS AND RELATIONSHIPS <i>Think about your social connections and relationships. For example, having regular contact with people including family and friends, feeling connected to your community, having a broader social network, having positive relationships. How has this changed for you since joining Grameen Today?</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>SOCIAL SUPPORT <i>Think about your access to social support. For example, getting help when you need it; assistance you give or receive from neighbours, friends, relatives, and others; getting access to small favours outside of the home; feeling socially supported. How has this changed for you since joining Grameen Today?</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>FEELING VALUED AND BELONGING <i>Think about your feeling of being valued and belonging. For example, being treated with respect by others; feeling valued by society; feeling like part of the community; having your competence and skill recognised. How has this changed for you since joining Grameen Today?</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How has being a member of Grameen Today changed your **finances** and **financial situation**?

	Not relevant to me (1)	Got a lot worse (2)	Got a bit worse (3)	No Change (4)	Got a bit better (5)	Got a lot better (6)
<p>FINANCIAL MANAGEMENT SKILLS <i>Think about your financial management skills. For example, your ability to manage your own money, make decisions about financial matters; understand how to use and manage bank accounts; keep track of expenses; understand rights and obligations</i> How has this changed for you since joining Grameen Today?</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>ACCESS TO FINANCIAL ADVICE, PRODUCTS AND SUPPORTS <i>Think about your access to financial advice, products and supports. For example, your access to suitable financial products; to financial advice; access to debt management; knowing who to ask and where to go for financial support. How has this changed for you since joining Grameen Today?</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>HAVING MONEY FOR MORE THAN BASIC NEEDS <i>think about your having money for more than basic needs. For example, having access to disposable cash; increased income for non-essential things; able to afford some little extras; having the financial freedom to enjoy life. How has this changed for you since joining Grameen Today?</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>SETTING FINANCIAL GOALS <i>Think about your ability to set and pursue financial goals. For example, your ability to make plans for large expenses; setting long term financial goals; saving money for the future. How has this changed for you since joining Grameen Today?</i></p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3. Please tell us about the **biggest change** in your life as a result of being part of Grameen Today.

Q4. What was the main thing about Grameen Today that helped you achieve this change?

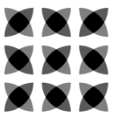
Q5. Is there anything else you would like to tell us? *For example, about the best aspect of Grameen Today, how it has or hasn't met your expectations, or if there's anything else that Grameen Australia could do to improve Grameen Today.*

More about you.

Q6. What is your age?

Q7. Which of the following best describes your household?

- Single or two-persons with no children
- Single parent/caregiver with children
- Two parents/caregivers with children



CENTRE
for **SOCIAL**
IMPACT

