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A Village in Bangladesh

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CHANDRYEL, Bangladesh -- Delora Begum's home office is a corrugated-metal-and-straw hut with a mud floor, no toilet and no running water. Yet in this humble setting, she reigns as the "phone lady," a successful entrepreneur and a person of standing in her community.

It's all due to a sleek Nokia cell phone.

Mrs. Begum acquired the handset six months ago for about 18,750 taka (\$375) through a loan program from Bangladesh's Grameen Bank and launched a profitable phone service. It's changing her life and that of hundreds of peasants who live in this patch of isolated countryside northwest of Bangladesh's capital, Dhaka.

"It was a very good investment," says the 32-year-old mother of two teenage daughters, clutching the black handset and grinning proudly. "It's helping my family, and villagers appreciate the convenience."

Grameen Bank, a private commercial enterprise based in Dhaka, gained world renown for nurturing rural entrepreneurs in this impoverished nation of 120 million people. For the past 16 years, the bank has made microloans to villagers to build fish ponds or to buy dairy cows and rice-husking machines.



Miriam Jordan

Now the bank aims to turn a trendy *Residents from 10 nearby villages come to Delora Begum's hut to use her cell phone. Her investment has elevated her status in her community.* accessory of the developed world into a tool for Bangladesh's most marginalized citizens, one of several schemes to help the poor jump into the digital age.

"Many people thought we were making a mockery of technology. They could not envision the poor getting good use out of a cell phone," says Mohammed Yunus, the bank's founder and managing director, who earned his doctorate in economics at Vanderbilt University. "The cell phone is the entry point. The falling cost of technology makes it increasingly accessible to everyone."

There are only three phones for every 1,000 people in Bangladesh, among the lowest phone-penetration rates in the world. About 90% of Bangladesh's 68,000 villages lack any access to a phone, according to Grameen Bank estimates.

That ratio is slowly changing, thanks to the bank's loan program and the efforts of Grameen Telecom, a nonprofit bank unit that buys airtime and resells it at cost to village cell-phone operators like Mrs. Begum. GrameenPhone Ltd., a joint venture of the bank and Telenor, Norway's telephone company, is building and operating the rural phone network.

Since the program began in 1997, it has supplied phones to 300 villages and aims to have 2,000 connected by year end. Within five years, Mr. Yunus hopes, the network will be nationwide, putting every villager within two kilometers (1.25 miles) of a cellular phone.

Where the hookups have arrived, they have already begun to boost people's incomes and quality of life. Farmers use the cell phones to learn the fair value of

their rice and vegetables, cutting out middlemen notorious for exploiting them. Families stay in touch with relatives working abroad, many of them driving taxis in New York or working on construction sites in Saudi Arabia. In a nation where only 45% of the people can read and write, the cell phone allows people to dispense with a scribe to compose a letter.

And then there are the dramatic rescues, like the life-saving call from Mrs. Begum's phone last October to a doctor. It brought help to a pregnant woman as well as a newborn endangered by her severe convulsions.

Residents of 10 villages clustered around verdant rice fields and muddy marshes visit Mrs. Begum to place calls. Even her telephone "booth" is mobile: During the day, it's the stall on Chandryel's main dirt road where she sells garments she makes with a sewing machine (also purchased with the bank's help); at night, callers drop by her family hut to use the cell phone.

The phone has improved life for many villagers, in different ways. For as long as he can remember, Khandar Abal Bashar resigned himself to taking a two-and-a-half-hour bus ride to Dhaka to order furnace oil and coal for the brick factory he manages. Now, he avoids the bone-jarring, biweekly trip. "I can just call if I need anything, or if I have any problems," he says.

Local carpenter Massum Bellah uses the cell phone to check the current market price of wood, so he ensures a higher profit for the furniture he makes. "I am getting a better price for my chairs and cabinets," he says, beaming broadly.

There is a regular pay phone about eight kilometers from the village, but the line is usually dead or crackling with static, villagers say. Moreover, annual floods wash out roads and turn the short trip into a cross-country adventure.

The average local cell-phone call costs five taka per minute, or approximately 10 cents. In a typical month, Mrs. Begum racks up about a \$40 profit on her \$215 in phone charges, or about twice the average gross monthly income in Bangladesh. She pays weekly installments of less than \$5 toward the cost of the \$375 handset, which Grameen sold to her at cost.

Mrs. Begum has plowed most of the profits into expanding the chicken coop that her husband tends. For her tidy hut, she bought a new wooden table and two upholstered chairs. She indulged her daughters with singing lessons and bought herself a pair of gold earrings. At the end of the month, she still manages to deposit a few hundred taka in her Grameen Bank savings account.

"My life is getting better," she says. And there's a side benefit: "People consider me a person of honor."

Occasionally, she has to fumble for the phone in the dark to answer a call from across the globe. "That's the only disadvantage," she says. "The 3 a.m. calls."