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Reimagining financial inclusion in the post COVID-19 world: the case of Grameen America

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Abstract

Purpose – The purpose of this paper is to analyze Grameen America's response to COVID-19 pandemic. This is accomplished by identifying and analyzing the key initiatives implemented by Grameen America within the framework of selected United Nations' Sustainability Development Goals (UN's SD Goals).

Design/methodology/approach – This study has used qualitative content analysis to analyze financial and nonfinancial information of Grameen Bank.

Findings – This study follows a qualitative content analysis method to precisely gauge the shift in Grameen's strategy and focus, as well as to assess the impact of its initiatives on the small business community before and after the pandemic. The findings showcase that Grameen's longstanding mission to alleviate poverty is in line with the UN's SD Goal 1. Also, Grameen's commitment to create partnerships with external organizations to offer credit and noncredit services and support is consistent with UN's SD Goal 17.

Research limitations/implications – Notwithstanding the significant contributions of this case study, the findings are limited in some respects. First, this case study focuses on the Grameen America's unique experience regarding its response to COVID-19 pandemic. This may affect the interpretation and generalization of the findings of this study. Performing comparative views across wide range of relevant microlending institutions could help improve the generalization of the findings. Also, this case study examines the impact on women and minority groups who were particularly affected by the pandemic. The results should, therefore, be interpreted with care as circumstances may change over time.

Practical implications – The implication for practice is that policymakers should encourage the creation of more member-based financial and non-financial institutions that can help members integrate financially and socially into society. Also, practitioners should increase their ethical duties and responsibilities to their members in society in good and bad times as members tend to value the ethical aspect of financial businesses.

Social implications – The social implication of the findings is that helping members of society to cope with the difficulties brought about by COVID increased the sense of belonging among members and made them feel cared for, thereby increasing financial and social inclusion among underserved people.

Originality/value – Prior literature addressed the initiatives of microlending institutions such as Grameen Bank to achieve financial inclusion among financially vulnerable women. This case study contributes to the literature on financial inclusion and poverty alleviation by examining Grameen America's response to the pandemic by identifying and assessing Grameen America (GA's) key initiatives and their impact within the framework of the UN's SD Goals in the post COVID-19 world.

Keywords COVID-19, Financial inclusion, Sustainable development, Microcredit, Microlending, Qualitative content analysis, Grameen Bank

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1. Introduction

Financial services are a prime driver for self-employment, economic growth and wealth creation for households. Lack of access to banking services such as microcredit impedes women's ability to partake in various informal entrepreneurial ventures and minimizes their capability to engage in valuable business activities. Also, on a macroeconomic level, the lack of access to microcredit pushes entire communities to live under the poverty line. Despite a decade of trials and tribulations to engage female clientele in the microcredit ecosystem, there has been limited progress in decreasing the disparity in women's access to financial services offered by banking institutions.

One of the banking institutions which revolutionized the way people around the world improve women's access to microcredit and fight poverty is Grameen Bank or the "Village Bank." The bank's business model, which is founded in providing collateral-free microloans for self-employment to millions of women villagers in Bangladesh, has redefined the concept of financial inclusion for many bankers, economists, development policymakers and social entrepreneurs. The bank managed to transform the lives of its female entrepreneurs by breaking the vicious cycle of profound economic destitution.

In September 1990, the founder of Grameen Bank, Dr Muhammad Yunus, was invited to testify before the US Congressional Subcommittee on International Economic Policy and Trade (Bornstein, 1996). The goal of the invite was to discuss how to administer the US Agency for International Development's $75mn microenterprise loan program to Grameen. He emphasized the importance of achieving economic growth while focusing on attaining equity. Massive investment in infrastructure cannot reach its full potential if large segments of societies, represented by women, are persistently stricken by poverty. Wealthy individuals who have access to collateral and credit should not continue to accrue wealth while millions of under-banked women continue to sink deeper into poverty.

Years after Dr Muhammad Yunus's testimony, promising replications of Grameen Bank started spreading in different parts of the developing world. In 2008, Grameen Bank found a new home in North America. In that year, Grameen America was founded in Queens, New York. In the USA, there are 37.2 million people living in poverty and nearly 27% of American households unbanked or underbanked (United States Census Bureau Report, 2020), Grameen America seemed to be the right conduit for offering capital to female entrepreneurs, who have been neglected by the banking system for a long period of time (Grameen America Audited Report, 2020). Grameen America removed the biggest obstacles to accessing capital: collateral and credit score. Following a simple targeted process, women form small groups of trustworthy members. The group would then receive specialized training about microloans, savings and credit building. Upon disbursing short-term microloans by Grameen America, self-employed women create their own small businesses and build their personal income. As the bank does not require collateral or a credit score to secure a loan, a different strategy is used to ensure the repayment of the loan. The strategy is predicated on using the power of peer-pressure among the group members. Members must meet on a weekly basis to make loan repayments, share stories, track progress and build support networks. The strong sense of accountability combined with strong networking increases the rate of loan repayment, expands the personal wealth and bolsters the credit scores of the group members. Also, the development and scaling of small businesses create jobs in the communities where the group members are undertaking their business.

As the COVID-19 pandemic hit the world in late 2019, it impacted businesses in nearly every country in the world and small businesses. The landscape of the banking sector offering financial services to underbanked individuals had to change accordingly. The changes have been in motion for several years; however, the pandemic created opportunities for digital financing to accelerate and enhance financial inclusion amid restrictive social distancing and containment measures. Grameen America, like many private financial service providers, expend concerted efforts to promote financial inclusion in their communities. Grameen Bank's microlending model has been reported as a successful example for supporting financial inclusion by alleviating poverty among underbanked members (Abu, 1994; Islam, 2008; Chowdhury *et al.*, 2013; Suzuki *et al.*, 2013; Uddin, 2016; Mamun *et al.*, 2019). Most recently, Becerra *et al.* (2020) performed an 18-month randomized controlled trial to evaluate Grameen America's microlending program and explore the mechanisms of program operations and whether the Bank's model led to improved outcomes for members. However, their research did not factor in the impact of the COVID-19 pandemic which has distressed many women- and minority-owned small businesses. Therefore, this case study aims to fill this gap by identifying and assessing Grameen America's response to the pandemic.

This is accomplished by reviewing Grameen America's key initiatives offering financial relief and access to credit and noncredit support and services. The investigation is supported by analyzing Grameen America's Annual Reports and audited financial statements. Given its mission to alleviate poverty, Grameen America's key initiatives are researched to determine their relevance and alignment with the United Nation's Sustainability Development Goals (UN's SD Goals). Therefore, this paper contributes to the extant literature that show the importance of achieving financial inclusion among financially vulnerable women and minority-owned small businesses with an emphasis on the Grameen America experience. This paper also contributes to the body of literature on poverty alleviation through microlending institutions. Our paper contributes to this literature by showing microlending institutions, such as Grameen Bank, help to alleviate poverty by introducing creative and meaningful initiatives in response to the COVID-19 pandemic within the framework of the UN's Sustainability Development Goals.

The case study proceeds as follows. Section 2 presents the literature review covering financial inclusion and selected United Nations' Sustainability Development Goals. Section 3 presents the theoretical perspectives. Section 4 discusses the empirical literature. Section 5 presents the research method. Section 6 presents the research findings. Section 7 discusses the research conclusions, implications and limitations.

2. Literature review

2.1 Literature on financial inclusion for Sustainable Development Goals

The pursuit of financial inclusion is consistent with the UN's SD Goals as stated in Goal 1, which focuses on eradicating extreme poverty in all its forms and Goal 17 which focuses on creating global partnership for development. To combat poverty, the United Nations' Development Program (UNDP) set a goal for 2030 to ensure that poor and vulnerable world populations should have access to financial service such as "microfinance."[1] The UNDP also set a target for achieving Goal 17 by emphasizing the importance of creating multi-stakeholder partnerships to foster sustainable development. The agency encouraged the creation of partnerships to mobilize and share knowledge, expertise, technology and financial resources.[2] It is very challenging to find a case of financial inclusion initiative, undertaken by a microlending institution, that could encompass or follow all the UN's SD Goals. Therefore, certain UN's SD Goals have been excluded because of their irrelevance to the research objectives and Grameen Bank's mission and initiatives.

The goal of financial inclusion is to reduce the size of the unbanked population by extending financial services to unbanked individuals and households (Fungáčová and Weill, 2015;

Allen *et al.*, 2016; Ozili, 2018). Financial inclusion ensures that individuals have access to affordable formal financial services which they can use to improve their welfare (Ozili, 2020). Generally, financial inclusion can be analyzed from a macro-dimension. The macro-dimension of financial inclusion focuses on creating public institutions and policies and using government interventions to promote financial inclusion. On the other hand, the micro-dimension of financial inclusion emphasizes the independent roles and efforts of individuals, private corporations and non-governmental organizations (NGOs) to increase the level of financial inclusion. While there are many studies in the literature on the macro-dimension of financial inclusion, there is scant research on the micro-dimension aspects. The reason for the limited research on the micro-dimension of financial inclusion is because individuals, private corporations and NGOs are not mandated by law to disclose financial inclusion information with the public, so they are typically reluctant to share such information.

Another study by Kim (2021) examined the impact of mobile money technology on promoting financial inclusion for women in Nairobi (Kenya). The study examined financial inclusion in an environment where women have limited property rights and often need approval from their husbands or male family members to use financial services. Kim (2021)'s study found that mobile money technology enabled less educated young women to benefit from instant remittance and payment services. Kim's research findings are interesting because they showed the positive impact of mobile money technology on financial inclusion, yet such technology does not address the fundamental *causes* of gendered financial inequality or financial exclusion among women. In a related study, Corrêa (2021) argued that Fintech providers have the potential to promote financial inclusion for women despite the existence of social, economic and market barriers for female heads of households and women entrepreneurs and workers. Corrêa's study suggested that gender inequality hinders the accessibility and use financial services despite the developments in technology, science and human rights.

Other studies showed that institutions may influence the level of financial inclusion for women. For instance, Ojo and Zondi (2021) identified the impact of institutional quality and governance on financial inclusion for women in South Africa. In 2019 and 2020, they collected data from 30 female participants and found there was low level of institutional quality and governance on financial inclusion for women. Ojo and Zondi's research findings showed that the existing general institutional framework and governance structure for financial inclusion in South Africa did not facilitate financial inclusion for women. This finding underscored the importance of modifying the existing general framework to accommodate women's financial inclusion needs or consider the possibility of creating a special framework for women. Another study by Ajide (2021) examined the impact of financial inclusion on female labor force participation in African countries from 2005 to 2016. Ajide's research established that if the level of financial inclusion can be increased to the range of 33%–57%, the level of women participating in economic activities would also improve. The study concluded that financial inclusion can accomplished by offering proper technology training and less restricted access low-cost financing to women to start their businesses.

In a review of existing studies on financial inclusion, Ozili (2021b) indicated that the major difficulties in achieving high levels of financial inclusion are because of the low level of financial innovation, high poverty-levels, instability of the financial sector, economic crisis or recessions, financial illiteracy and weak regulatory frameworks. The implications of Ozili's research underscored the importance of pursuing financial inclusion as a national, regional or global objective that must be accompanied by major changes in the institutional, economic, socio-economic and technological environment.

The few existing studies on the micro-dimension of financial inclusion revealed that decisions and actions of firms, aspiring to achieve financial inclusion, have led to some improvement in the level of financial inclusion. For instance, the impact of the work done by cooperative banks to facilitate financial inclusion and alleviate poverty was examined by Lal (2018). The study examined 540 beneficiaries of cooperative banks operating in three northern states of India from July to December 2015. The study results showed that cooperative banks which facilitated financial inclusion were able to reduce the level of poverty among the banks' beneficiaries. That was accomplished by improving access to basic financial services such as savings, loans, insurance and credit, which helped the beneficiaries stay out of poverty. One of the criticisms of the financial inclusion approach reported in Lal (2018)'s research is that it initially required beneficiaries to have collateral to obtain loans. This approach only favors beneficiaries who have valuable collateral while denying others who do not have any collateral.

Another study investigated role of non-banks to promote financial inclusion. The ability of non-banks to promote financial inclusion using digital financial technologies (i.e. the provision of financial services via mobile phone) to achieve financial inclusion was discussed by Biggs (2016). Biggs also noted that the success of digital financial technology to facilitate the accessibility of financial services, among the unbanked and underserved populations, is contingent upon the expansion of consumer adoption, the availability of mobile and internet connectivity and the existence of favorable regulatory environment. However, Biggs cautioned against the excessive reliance on digital financial technology to increase financial inclusion as it might diminish human interaction between users and providers of financial services. There is a need, therefore, to ensure that such technology will not limit social interactions in the delivery of financial services. Another study by Venkataramany and Bhasin (2009) reported that self-help groups could play an important role in promoting financial inclusion. Furthermore, they reported that offering loans to the self-help women groups contributed to the financial empowerment and independence of women, the improvement of their standards of living and the reduction of child mortality. Venkataramany and Bhasin (2009), however, questioned whether creating gendered informal groups is an optimal or sub-optimal solution for promoting financial inclusion.

While there is substantial governmental and institutional support for facilitating financial inclusion by financial institutions, government agencies and non-governmental organizations, there is a critical need to explore the ethical dimensions of serving the underbanked population in the quest to achieve the UN's SD Goals.

2.2 Ethical dilemma of financial inclusion for sustainable development

There are mixed perspectives on the ethical dimensions of financial inclusion for sustainable development. Prior studies indicated that financial inclusion is ethical because it has a welfare-enhancing effect allowing the poorest to have equal access to basic formal financial services which are typically enjoyed by the rich without facing any discrimination. One of such studies was reported by Park and Mercado (2015) who examined the determinants of financial inclusion in 37 developing Asian economies. They found that retirement pension provisions, stronger rule of law, enforcement of financial contracts, and financial regulatory oversight broadens financial inclusion, thereby contributing to a reduction in income inequality and closing the disparity between the rich and the poor. The research findings of Park and Mercado (2015) are significant because they showed that having good institutions promoting equity in society has led to greater financial inclusion. Park and Mercado's research implications suggested that support should be given to private sector institutions to improve financial inclusion and promote equity in society. In another study, Churchill and Marisetty (2020) analyzed a sample of approximately 45,000 Indian households to determine whether financial inclusion has a poverty-reducing effect on Indian households. They used a multidimensional indicator of financial inclusion consisting of the household poverty probability index (PPI), household deprivation scores and the poverty line index. Churchill and Marisetty (2020) found that financial inclusion has a strong poverty-reducing effect and it should be promoted across countries.

Although the above studies associated financial inclusion with positive benefits that make financial inclusion appear ethical, other studies suggested that financial inclusion is not perfectly ethical, particularly in the way financial inclusion is being pursued (Berry, 2015; Mader, 2018; Prabhakar, 2019; Sani Ibrahim *et al.*, 2019; Ozili, 2021a). For example, Sani Ibrahim *et al.* (2019) examined the relationship between financial inclusion and welfare in 1,750 rural Nigerian households using micro-level data. They observed that middle- and high-income households gained more from financial inclusion than low-income households in Nigeria. Sani Ibrahim *et al.* (2019) further indicated that the welfare benefits of financial inclusion may be enjoyed by the rich and the middle-class households, but such benefits are less enjoyed by low-income households. This finding, therefore, should prompt policymakers to develop a proper financial inclusion strategy that extends the benefits to poor and low-income households. Sani Ibrahim *et al.* (2019) concluded by proposing that rural financial markets should be redesigned to allow wider access to credit for low-income and other vulnerable households.

In another study, Mader (2018) argued that a financial inclusion agenda, built on the premise of poverty alleviation, should be pursued through the expansion of financial markets which might lead to the financialization of poverty. Ozili (2021a) disputed Mader's claim by arguing that pursuing such financial inclusion agenda is somewhat unethical because it is an invitation to live by finance. Ozili (2021a) also contended that Mader's financial inclusion agenda creates a way of life in which having money in an individual's formal bank account could become the determinant of whether poor individuals or households will live a good life or a life plagued by poverty. Other researchers also cautioned against the financialization of poverty as it might expose poor people to risks associated with unpredictable financial markets (Berry, 2015; Prabhakar, 2019).

Despite the mixed ethical dimensions of financial inclusion for sustainable development, we argue that financial inclusion can be an ethical balancing act. To that end, policymakers and private sector agents should develop an ethical financial inclusion agenda which simultaneously benefits the poor and supports their financial freedom and achieves sustainable development.

2.3 Making a case for Grameen America

Currently, many private sector agents are making individual efforts to promote financial inclusion in several countries. Yet, there are very few studies on the financial inclusion efforts of a single institution and how such institution balances the need to meet its corporate profitability objectives while at the same time meeting its target financial inclusion goal in a responsible and ethical manner. The lack of prior studies in this area creates a gap in the ethics and development literature which this study seeks to fill. In this paper, we focus on the case of Grameen America, which is a nonprofit microfinance organization based in New York City. Grameen America provides loans, savings programs, financial education, other noncredit services and support to women who live in poverty in the USA. All loans given to women must be used to create small businesses. By providing loans to women who live in poverty, Grameen America achieves financial inclusion because unbanked women need a bank account to access loans and to finance their own small businesses.

2.4 Grameen Bank: history

Inspired by his mother's compassion toward the poor in her village, Bathua, in Hathazari, Chittagong in Eastern Bangladesh, Dr Muhammad Yunus dedicated his life to the mission of eradicating poverty. In 1976, as an Economics professor at Chittagong University, he decided to launch an action evidence-based research project to assess the possibility of creating a micro-credit program to offer banking services to under-served villagers.[3] The word Grameen means "rural" or "village" in Bangla language emphasizing the core fact that the residents of the village were the main target clientele of the Bank. Dr Yunus was driven by the idea that the poor were not unworthy of microcredit as they were already capable of running their own small, informal "businesses" and managing their households efficiently. He believed that the poor lacked access to resources and networks rather than trustworthiness or financial responsibility. That belief was the main business model and bedrock of Grameen Bank. It differentiated itself from other microlending institutions by removing the need for collateral and credit score and creating a socially conscious banking system. Within a few years of operating in a few villages, Grameen Bank was formally formed in 1983.

2.4.1 Grameen bank: Expansion. The initial Grameen Bank's credo was "Discipline, Unity, Courage, and Hard Work." (Bornstein, 1996, p. 93). In the early stage of building Grameen Bank in Bangladesh, Dr. Yunus encoded a set of bylaws and statements of principle called the Bidhimala or the constitution. Section 1.0 states:

> The objective of Grameen Bank Project is to introduce and institutionalize a non-traditional banking system in rural areas which would provide credit facilities under special terms and conditions. The Project attempts to serve those rural people who are not covered by the traditional banking system. The success of this project entirely depends on the becausere efforts to follow the rules (Bornstein, 1996, p. 55).

The constitution covered the formation and dissolving of groups, disbursement and collection of the microloans and the administration of the emergency fund among other administrative procedures. Over decades of operations and expansion, the main mission of the Bank has evolved to "empower the poor, especially women, to create a world without poverty and hunger."[4] Grameen Bank had to serve a larger number of people to truly make credit a catalyst for poverty alleviation. As of October 2021, the Bank has expanded into 81,678 villages (93% of total number of villages) serving 9.44 million (97% of whom are women) while attaining a loan repayment rate of 99%.[5] Within two decades because its inception, Grameen Bank's model has been replicated in more than 100 countries around the world (Mamun *et al.*, 2019).

2.4.2 Grameen Bank: key characteristics. The success of Grameen Bank inspired the replication of a Grameen-style program in Malaysia in mid 1980s. As of 2010, there have been more than 175 Grameen-inspired microcredit institutions in more than 100 countries (Alum and Getubig, 2016). While Grameen Bank does not replicate or offer the right to franchise its lending model, Grameen offers technical assistance, training and exposure visits to support the development of microlending programs. All Grameen-inspired programs share the following characteristics:

- Focus on the poorest and financially challenged segments of the society with emphasis on serving female members.

- Disbursing collateral-free loans, which could be used to invest in income-generating activities. Additional loans could serve different purposes such as housing and education.
- The overall size of the loans is often small.
- The repayment of the principal and interest is more frequent (e.g. weekly basis) to ease off the burden on borrowers by breaking the large lump sum payments in small portions.
- All borrowers should strive to build their assets through accumulating savings. The savings are built into the microlending program.
- The creation of small centers in which members meet on a weekly basis to repay and collect loans offers support and ensures solidarity and discipline among group members.
- The microlending program is not solely focused on disbursing loans. The program provides pathway to financial sustainability for the borrowers through the facilitation of noncredit social services such as financial education, nutrition, family planning, childcare and access to health care providers.

2.4.3 Grameen Foundation USA: development. In 1989, Grameen Trust, a nonprofit organization, was established to support poverty eradication by following the Grameen Bank approach for supporting underbanked individuals. The Trust focused on assisting microcredit programs all over the world through creating its Grameen Bank Replication Program.[6] The purpose of the program was to offer training and technical assistance to replication projects, provide funding and oversee the performance of a selected funded projects. The funding is offered through seed capital and a scaling up fund.

In 1997, Dr Yunus along with other nonprofit organizations, created Grameen Foundation USA as a nonprofit organization based in Washington D.C. (District of Columbia). The Foundation was created to facilitate the expansion and replication of the business model of Grameen Bank beyond the borders of Bangladesh. It aimed to facilitate access to microcredit for underbanked individuals in underserved communities around the world. The Foundation partnered with a network of microlending institutions in Africa, North and South America, Asia and the Middle East. By 2009, the Foundation's network offered microloans and other services to 10.9 million people.[7] The Foundation's mission mirrored the original Bank's mission by "enabling the poor, especially the poorest, to create a world without poverty."[8]

With the development of digital banking, the Foundation broadened its approach to empowering entrepreneurs by facilitating access to technology to better scale their business, protect their personal health and maintain financial sustainability. In 2016, the Foundation merged with Freedom from Hunger, a 75-year-old nonprofit organization, to create a single global organization.[9] The organization developed innovative digital and mobile technology by offering integrated microcredit and health education programs through partnerships with financial services and health providers.[10]

2.4.4 Grameen America: development. In January 2008, Grameen America founded its first office in Queens, New York. The creation of Grameen America could not have happened at any better time as the American banking system came to a near collapse. Extending credit to underbanked small business owners was very tight and almost nonexistent. Dr Yunus believed that Grameen could carve its path in the largest economy in the world. He determined that by quoting the population of 9 million American households which are severely underbanked and the staggering number of 21 million households using payday loans and pawn shops to secure financing (Kiviat, 2010). Supported by loans from Wells Fargo and Capital One Bank and motivated by its success record in Bangladesh and other countries, Grameen America opened its doors to underbanked female members, many of whom are Black and Hispanic. In its 990-tax filing of 2007, Grameen America stated that its mission is to:

> Make small loans to poor individuals living below the federal poverty levels of income at reasonable interest rates, which are lower than rates available from other sources, to stimulate entrepreneurship, develop financial, educational, and credit establishment (and related) services for the poor.[11]

2.4.5 Grameen America: microlending model. Grameen America offers microloans ranging from $1,500 to $8,000 and charged interest rates up to 15% (Dewan, 2013). It follows the original approach of Grameen Bank's group microlending model. Groups are composed of five members and six to eight groups are federated into a center which holds mandatory weekly meetings. In the center meetings, the center manager, a Bank employee, collects the savings deposits and loan repayments and approves loan proposals. Loan disbursements are approved at the Bank's branch office. With the absence of collateral and credit scores, all group members are held accountable through exerting collective peer pressure.[12] This means that group members must pay their weekly installments; otherwise, credit will be withheld by Grameen to the entire group and members will not be allowed to borrow additional funds. Offering credit is usually based on assessing a prospective borrower's business idea, skills and social background rather than pre-determined credit requirements. If a member defaults on a loan, Grameen holds all the group members liable, so they are expected to repay the debtor's loan. To ensure that the loan is fully paid, other group members will not receive additional loans, which subjects the defaulting member to criticism and discipline, if necessary, by the group. Furthermore, each group member must contribute a minimum of $2 per week to a group savings fund to hedge against financial risks and emergencies (Dewan, 2013). A group member could leave the group and recoup her weekly deposits, but the interest is forfeited to the group upon departure. Upon the successful repayment of a member's loan, new and larger loans could be disbursed to invest in or expand the member's income-generating activities.

The success of Grameen's microlending program depends primarily on exerting collective and constant social pressure while maintaining personal financial accountability. According to Foroohar and Ramirez (2010), the repayment rate among the initial 3,500 Grameen borrowers was 98%, compared with the American commercial bank's rate of 90% in 2010. Furthermore, they reported that the initial customers of Grameen America in 2010 were mostly recent immigrants, ethnic minorities and single mothers, who comprised 100% of the members who attended the weekly meetings and fulfilled their financial obligations.

As of December 31, 2020, Grameen America operates through a network of 23 branches in three regions in 15 cities. The first one is the Northeast Region, which includes New York, Massachusetts and New Jersey. The second one is the West Region which includes California and Texas. The third region is the Central and Southeast Region which includes Indiana, Nebraska, FL, IL and North Carolina (Grameen America Audited Report, 2020). Because opening in January 2008, Grameen America invested over $1bn in more than 113,000 low-income female members.

According to its Grameen America audited financial report (2020), Grameen America's program includes three key pillars:

- access to capital through microloans;
- asset building by encouraging or facilitating savings by borrowers; and

- credit building to help borrowers build or repair their credit history.

In September 2020, Grameen America announced the results of an 18-month research study using a randomized controlled trial conducted by MDRC, a nonpartisan education and social policy research corporation. The project was sponsored by Robin Hood, New York City's largest antipoverty organization. The study examined 1,492 women in 300 loan groups who applied to Grameen America's microlending program in Union City, New Jersey.[13] The study findings comparing Grameen America's group members and control group members revealed the following results (Becerra *et al.*, 2020):

- 44% of Grameen America group members experienced material hardship, less than the members in the control group by 15%;
- 94% of Grameen America group members reported operating their own businesses 18 months after joining the program, an increase of 19% over the control group;
- Grameen America group members' monthly business revenue increased by $523, while expenses increased by $384. The increase in business earnings did offset the decrease in personal wage earnings, resulting in no effect on net income;
- Grameen America group members reported having $1,920 in average savings compared with $1,180 for women in control group; and
- Grameen America group members experienced positive feelings of well-being, financial empowerment and social support which contributed to elevating trust and strengthening social support systems.

Becerra *et al.*'s (2020) research findings suggested that Grameen America's microlending model presents a promising pathway to economic mobility and financial relief. Such findings corroborate prior literature on Grameen Bank. Grameen Bank's microlending model was reported as a tool to alleviate poverty (Abu, 1994; Islam, 2008; Bhuiyan *et al.*, 2012; Chowdhury *et al.*, 2013; Suzuki *et al.*, 2013; Uddin, 2016; Mamun *et al.*, 2019). Dr Yunus's unconventional lending model presented a successful shift in the ethical perception of financial service providers toward the underbanked in poor areas in developing countries (Jain, 1996; Mousa, 2007).

3. Theoretical perspectives

There are two theories that explain the business model of Grameen America. The first theory is the vulnerable group theory of financial inclusion. In "Theories of Financial Inclusion," Ozili (2020) proposed the vulnerable group theory of financial inclusion which states that financial inclusion activities or programs should be targeted to the vulnerable members of society such as poor people, young people, women and elderly people who suffer the most from economic hardship and crises. Under this theory, private sector agents will prioritize financial inclusion for vulnerable people who are unbanked in an effort to bring them into the formal financial sector (Ozili, 2020). This approach is often considered to be cost-effective because it targets only the vulnerable groups and not the entire unbanked population (Ozili, 2020). The mission of Grameen America is well explained by the vulnerable group theory because the theory identifies women as a vulnerable group and gives loans only to women, thereby empowering women to start a business, make a decent income, provide for their households and become financially independent.

Another theory that explains the agency role of Grameen America in financial inclusion for sustainable development is the special agent theory of financial inclusion (Ozili, 2020). The mission of Grameen America is well explained by the vulnerable group theory because the theory identifies women as a vulnerable group and gives loans only to women, thereby empowering women to start a business, make a decent income, provide for their households, become financially independent and become empowered.

Another theory that explains the agency role of Grameen America in financial inclusion for sustainable development is the special agent theory of financial inclusion (Ozili, 2020). The special agent theory of financial inclusion states that basic formal financial services should be delivered to unbanked adults through specialized agents such as a specialized institution (Ozili, 2020). The special agent is highly skilled and can devise innovative ways to bring the unbanked adults into the formal financial sector (Ozili, 2020). Usually, there is high degree of confidence in the ability of the special agent to deliver financial inclusion to the excluded population and the special agent is committed to meet the defined financial inclusion targets (Ozili, 2020). The special agent theory explains the agency role of Grameen America in promoting financial inclusion. As such, Grameen America can be considered a special agent responsible for achieving financial inclusion for underbanked women. The special agent theory explains the agency role of Grameen America in promoting financial inclusion. As such, Grameen America can be considered a special agent responsible for facilitating financial inclusion for underbanked women.

4. Empirical literature

In 2019, there were more than 30.7 million entrepreneurs in the USA and their businesses employed almost 50% of American workers (United States Small Business Administration, 2019). American small businesses have continued to struggle to gain access to credit. According to Aggarwal (2021), 44% of small businesses seek loans less than $50,000. Banks are unlikely to disburse below that threshold because of the high costs of sourcing, underwriting and managing the loans. Even if they administer such loans, banks end up charging prohibitive annual interest rates. Traditional credit requirements such as minimum credit score and collateral could defer many borrowers from seeking loans. This is because of the fact that 37.2 million people in the USA live in poverty and the poverty rate for female householders is 23.4% (United States Census Bureau Report, 2020). Also, 30% of low-income consumers have no credit history and 27% of all American households are underbanked, over half of which are female householders (Grameen America Audited Report, 2020). Even if such women seek loans, they are 31% less likely to receive a loan than their male counterparts [Office of the Comptroller of the Currency (OCC), 2020]. Small businesses owned by under-represented minority individuals are three times more likely to be denied a loan.

A survey gauging the impact of the COVID-19 pandemic on small businesses in the USA was reported by Bartik *et al.* (2020). Their research findings revealed that 43% of the surveyed businesses were temporarily closed and employment fell by 40%. In addition, 38% of the respondents indicated that they are unlikely to continue running their businesses. Also, 13% of respondents reported that they would not take out federal assistance through the Paycheck Protection Program (PPP) because of the complicated loan application and eligibility rules. Such sentiment has been confirmed by another survey which reported that 88% of small business owners have exhausted their PPP loan funding and 32% have been forced to lay off employees or cut wages (Babson College, 2020). A different survey reported that the total number of small businesses had dropped by 14.6% from February 2020 to May 2020, 21% of which are women-owned (Fairlie, 2020a, 2020b). During the same period, women-owned businesses dropped by 16%, black-owned businesses dropped by 26%, Latinx-owned businesses dropped by 19%, Asian-owned businesses dropped by 21% and immigrant-owned businesses dropped by 25%. The smallest drop was associated with

White-owned businesses which amounted to 11%. Such disturbing statistics can be even more devastating as new variants of the virus are discovered while the country continues to struggle with racial inequality, job losses and income inequality among minority-owned businesses. Given these gloomy observations, it is obvious that the COVID-19 pandemic has aggravated the livelihoods of many small businesses in the USA, especially those owned by women and minority groups.

Given the persistent efforts of Grameen America to protect and secure the financial well-being of its borrowers, it is fair to assume that Dr Yunus's model has shown promising signs of success based on the earlier findings of Becerra *et al.*'s randomized controlled trial (Becerra *et al.*, 2020). However, their research did not consider in the impact of the COVID-19 pandemic, which has obviously afflicted many women and minority-owned small businesses. Therefore, this case study aims to fill this gap by examining Grameen America's response to the pandemic. This is accomplished by identifying and assessing Grameen America's key initiatives in redefining its microlending business model while maintaining its mission to support financial inclusion and alleviate poverty through the provision of microloans, the facilitation of noncredit social services and the creation of strategic partnerships with third-party organizations.

5. Research method

This paper follows a qualitative case study methodology which is supported by content analysis. Content analysis is defined as "a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use" (Krippendorff, 2004, p. 18). This is consistent with prior relevant studies which adopted content analysis in examining Grameen Bank (Archer and Jones-Christensen, 2011; Cukier *et al.*, 2011; Islam, 2018; Kassim and Rahman, 2018; Pangriya, 2019). Content analysis requires the documentation and analysis of secondary data, whether it is in print, electronic or verbal by allowing the researcher to explore the data in a careful, unobstructive and systematic manner. Furthermore, it facilitates the interpretation of a body of knowledge to identify and examine patterns, themes, biases and meanings (Berg and Lune, 2012, p. 349). We used a summative approach to the content analysis. That approach allowed the authors to purposefully identify and quantify certain words or content in text to explore its usage in different documents.

To plan the content analysis, researchers are advised to establish an aim for the case study to determine its design and boundaries (Kohlbacher, 2006). The analysis of different data sources followed the main objectives of the case study which focus on the identification and analysis of Grameen America's initiatives and their impact on the Bank's members in response to the COVID-19 pandemic. In addition, the analysis of the data was bounded by its relevance to the UN's SD Goals. That was done intentionally to ensure that the investigation was not too broad and to mitigate the risk of examining many irrelevant aspects, which may have precluded the authors from reaching the desired depth of the case study (Silverman, 2001).

As for the unit of analysis, the authors determined that the focus is on Grameen America. We analyzed the audited Annual Reports of Grameen America microfinance bank from 2018 to 2020. We used the Annual Report (2020) as the control group which represents the COVID-19 year. We conducted a textual analysis of carefully selected keywords and futuristic statements that indicated the Bank's plan for the post-COVID world. This strategy allowed us to accurately identify the financial instruments and other strategies the Bank plans to use to promote growth and empower women within the framework of the UN's SDGs in the post-COVID world. Researchers performing content analysis should determine whether the data will be collected from men or women and whether such data should be collected at different times in a person or an entity's life (Patton, 2014). We followed Patton's suggestion by focusing on the Bank's female members because they represent the entire population affected by the pandemic. In addition, Grameen America's Annual Report (2020) reveals how it conducted their businesses before *and* after the pandemic, which allowed the authors to chronologically gauge the impact of the Bank's initiatives.

As for the choice of the analysis method, the purpose is to organize and solicit meanings from the data collected to derive sensible conclusions (Neuendorf, 2017). In qualitative content analysis, data is presented in texts which contain words and themes to enable researchers to interpret the results. As noted by Morse and Richards (2002) and Neuendorf (2017), the researcher should decide whether the analysis is to be a summative manifest or latent content. In a manifest analysis, the researcher analyzes the appearance of a particular word or content in texts (Potter and Levine-Donnerstein, 1999). In contrast, latent analysis extends the interpretation level of the data to examine the underlying meaning of the text (Kohlbacher, 2006; Berg and Lune, 2012). The latent analysis is used in this case study to analyze Grameen America's Annual Reports (Tables 3 and 4). This allowed the authors to discern the Bank's shift in its perception and priorities toward its ethical responsibility and sustainable development to achieve financial inclusion over the period 2017–2020.

To maintain the quality of the case study, researchers should ensure the validity and reliability of the analysis throughout the research. Validity means that the case study's findings should reflect truthfully the phenomenon and context, while reliability requires that the same findings should be derived if the study were replicated (Morse and Richards, 2002). To increase the validity of the case study, the authors performed their data analysis separately and then shared their findings and obtained consensus. The authors determined that this is one acceptable form of data triangulation as suggested by Riege (2003) and Lub (2015). To increase the case reliability, the authors developed a coding protocol which contains a pre-determined list, including dimensions, keywords and their expanded meaning as shown in Table 3. That approach helps in maintaining consistency and diminishing the possibility of any change that could happen throughout the course of analyzing the annual reports of three consecutive years (Morse and Richards, 2002; Schreier, 2012).

6. Research findings

6.1 Grameen America's response to the pandemic

During the pandemic, Grameen America's immediate priority was to play a vital role in supporting its members during the period of economic disruption while pursuing its mission to provide financial inclusion to underserved communities. Table 1 shows Grameen America's COVID-19 pandemic response in numbers, while below list shows the key initiatives implemented by Grameen America in response to the pandemic. Grameen America focused more on its ethical responsibilities to members than its sustainability as an organization during the pandemic. As a result, its organizational sustainability declined during the pandemic (Table 2) as the organization sought to increase its ethical responsibility to members by introducing interest forgiveness on existing loans as part of the Economic Relief and Recovery program as well as giving out 39% more loans in 2020 than it did in the previous year, as shown in Table 2. This finding shows that a membership-based microfinance firm that faces an ethical dilemma between pursuing its organizational sustainability goals and supporting its members tends to sacrifice its organizational self-interest to fulfill its ethical duties to members in difficult times.

Grameen America: COVID-19 Pandemic Key Initiatives:

Grameen America’s pandemic statistics	No.
Philanthropy raised in 2020	$40mn
Debt capital raised in 2020	$18.2mn
Number of virtual center meetings each week through video conference	2,400+
Total raised for Grameen America’s Economic Relief and Recovery efforts:	$63.2mn
Total value of digital loan repayments during the pandemic	$1.85mn
Number of digital loan disbursements during the pandemic	62,000
Number of health-related and emotional support calls made to members during the pandemic	7,913
Number of new educational workshop to Grameen America members offered virtually during the pandemic	7
Number of virtually recruited new members across all branch locations	2,500+

Source: Grameen America Annual Report (2020)

Table 1. Grameen America: COVID-19 pandemic response in numbers

Financial statistics	2017	2018	2019	2020	YoY (2020–2019)
Loan portfolio ($’m)	61.1	79.3	108.2	109.5	1%
Total Assets ($’m)	88.5	103.2	145.8	203.6	39%
Net Assets ($’m)	39.3	46.0	68.5	102.0	48%
Debt/Net Assets	1.23x	1.22x	1.08x	0.995x	
Organizational sustainability	62%	70%	82%	62%	

Source: Grameen America annual reports (2017, 2018, 2019, 2020)

Table 2. Balance sheet of Grameen America

- adopting a virtual social capital model which includes virtual weekly center meetings, digital loan disbursement and digital loan repayment;
- expanding access to healthcare for women;
- waiving interest on loans;
- connecting members with staff to receive additional resources and support;
- waiving any third-party transaction costs - even as small as $1;
- restructuring loans to give borrowers more time to repay;
- permitting borrowers to pay an amount less than the expected weekly required portion of the loan;
- organizing weekly meetings with 30 members using virtual platforms (100% no-contact meeting model);
- transition to Grameen card, which can be used to disburse loans to borrowers from major banks through the collaboration with a third-party organization;
- issuance of emergency loans; and
- supporting members to receive the PPP.

6.2 Content Analysis of annual reports

Next, we use content analysis to analyze the texts in the Annual Reports. We first identify 24 important keywords in the Annual Report (2020). We believe the selected keywords will become very crucial in the post-COVID world. Our aim here is to first assess whether the 24 keywords are more or less dominant in the pre-COVID era (i.e. in 2018 and 2019) compared to the COVID era and beyond (i.e. in 2020). We categorize the 24 keywords into five groups, namely: financial instruments, ethics, financial inclusion, operational changes and sustainable development. Thereafter, we record the number of times each keyword appears in the 2020 Annual Report, which is the control group and then compare it with the number of times each keyword appears in the 2018 and 2019 Annual Reports.

The result is report in Table 3 below. In the "financial instruments" category, we observe that there is greater emphasis on "microloan," "social business fund" and the "Member Economic Relief and Recovery Fund" during COVID-19 compared to the pre-COVID period. This suggests that Grameen America issued new financial instruments to support women who were affected by the hardship of the pandemic. This signals that Grameen America is able to tailor its financial product offerings to meet unforeseen changes in economic fundamentals in the post-COVID world. Grameen's key initiatives in creating the Member Economic Relief and Recovery Fund and Social Business Fund are clear evidence that they contribute to improving the financial welfare of their members. Such initiatives have been uniquely mentioned in the 2020 report, an indication that Grameen America has maintained its original mission which is to alleviate poverty among female members. It is also an indication that such financial instruments serve as catalysts to eradicate poverty as articulated by the UN's SD Goal 1.

As reported in Table 4, in the "ethics" category there is greater emphasis on keywords such as "support," "partnership," "social capital," "repayment" and "emotional support" for women during the COVID-19 pandemic compared to the pre-COVID years. Maintaining Grameen America's ethical responsibility toward its members entailed creating partnerships, offering emotional support and developing a virtual Social Capital Model. This responsibility was demonstrated through the following initiatives:

- In March 2020, Grameen America received funding support from Mastercard which facilitated the transition of its Social Capital Model into a virtual platform to serve 50,000 members across the country.
- Grameen America partnered with the "PayNearMe" organization to adapt new and existing digital repayment channels, so members do not have to make their payment during the weekly group meetings.
- Grameen America partnered with "Aunt Bertha," a third-party social service platform, to support members by offering information on food pantries, housing options and legal issues. Members can enter their residential location to have access to free or discounted services in their own communities.
- Grameen America partnered with TD Bank and East West Bank to offer free informational and educational workshops covering digital banking and money management.
- In the second round of the American Small Business Administration funding available under the initial CARES Act[14], Grameen America partnered with Boston Consulting Group to help eligible members submit the required documentation and provide technical assistance and translation services to navigate the complicated loan application process.
- The operational transition to virtual platforms was enabled through the partnership between Grameen's sister organization, Grameen PrimaCare[15] and Medtronic Foundation. Such collaboration offered significant health, social and

Table 3. Content analysis of the annual reports of Grameen America (2018, 2019, 2020)

Dimension	Keyword	Expanded meaning	No. of counts in 2018	No. of counts in 2019	No. of counts in 2020
Financial Instruments:	Microloan	The product offering of Grameen America	5	12	20
	Member Economic Relief and Recovery Fund	A special financial instrument created to help members during the pandemic	0	0	2
	Social Business Fund	Impact Investing Fund	0	0	1
Ethics:	Support	Members meeting with staff frequently to receive support and training	10	25	46
	Partnership	External parties partnering with Grameen America to increase the size of its microloan program	3	2	6
	Emotion	Providing emotional support for women	0	0	3
	Social capital	The idea that social networks and relationships are resources that may individuals and/or communities	1	0	2
	Repay	Indicating emphasis to repay loans given to women. It is an ethical responsibility to repay loans when due	12	10	14
Operational Changes:	Virtual	Refers to all virtual meetings, virtual payments, virtual recruitment, etc	0	0	25
	Online	The switch from in-store or in-person contact to online stores and retail	0	1	7
	Digital	Same as ‘virtual’	6	4	11
	Resilience	Grameen America’s ability to support underserved women continually in good and bad times	0	0	6
	Remote	Communicating or meeting from a distance	0	0	2
	Model	Adjusting the model to cope with the pandemic	6	12	15
Financial Inclusion:	Financial inclusion	Granting access to finance to underserved women	0	2	6
	Inclusive	Encouraging inclusiveness	1	0	5
	Women	Better opportunities for women	40	46	78
	Underserved	Underserved women and communities facing hardship	0	2	12
	Credit	Provision of loan	23	22	23
	Low-income	Women with low-income	6	8	7
	Business ownership	Owing a business	0	0	3
	Entrepreneur	Empowering women to start their own business	8	13	21
Sustainable Development:	Sustainability	Preserving resources for today and for future generations	1	1	3
	Development	Improvement in living standards	9	12	8

	Grameen America's post-COVID plan	Authors' remarks on the post-COVID plan
Statement 1	"In 2021 Grameen America plans to expand to Connecticut and grow our footprint in Texas and New Jersey*" p.24*	This signals business expansion to reach more underserved women in the post-COVID years
Statement 2	"Grameen America has made a bold commitment to innovate its microloan program, launching the *Elevating Black Women Entrepreneurs Initiative* to better serve Black women entrepreneurs throughout the United States." p.25	This is a strategy used to address the systemic racism and racial injustice affecting Black businesswomen when they engage with the traditional banking system
Statement 3	"Over the next decade, we will launch a new network of Grameen America branches in underserved Black communities, starting with three branches over the next two years, in which we will test iterations of our model and use our learnings to make improvements to better serve all entrepreneurs." p.25 "Expand our footprint across the United States, with the goal to open four new branches in 2021" p.22	This suggests business expansion through the creation of more branch networks in the post-COVID years
Statement 4	"By 2030, we plan to reach over 70,000 Black women entrepreneurs, investing over half a billion dollars in their small businesses, delivering results which mirror the scale and proven impact of our current program." p.25	This suggests that Grameen America will use several financial schemes to empower more black women and their small business in the post-COVID years
Statement 5	"Grameen America envisions an inclusive society in which all entrepreneurs, regardless of gender, race or income, have access to fair and affordable financial services to support upward economic mobility." p.21	This suggests a greater focus on financial inclusion in the post-COVID years
Statement 6	"In Q4 2020, we piloted virtual outreach to new women in Houston, Fresno, Long Beach and Chicago. Today, we have expanded virtual recruitment across the country, with Branch Managers onboarding new members through video calls and distributing microloans via digital disbursement. We are committed to scaling this virtual outreach. . .to more low-income, minority women entrepreneurs." p.17	This suggests that Grameen America will use digital technologies to recruit new members and to disburse loans to members

Table 4.
Grameen America: Post COVID-19 plans

emotional support to Grameen America's members in New York, which was the global epicenter of the pandemic. Members were provided with information on free COVID-19 testing, masks, food pantries, as well as bereavement support for their families. Employee volunteers from Promotoras and Medtronic collaborated to develop video tutorials for the Bank's members. These videos are published weekly online and cover health care concerns including COVID-19, diabetes and other chronic illnesses.

As explained above, creating such strategic partnerships with external organizations characterizes a wide range of initiatives undertaken by Grameen America to offer credit and noncredit services and support to its members during the most difficult times. It also demonstrates that Grameen America's response to the pandemic is strongly aligned with the UN's SD Goal 17, which focuses on creating partnerships with external organizations to foster sustainable development.

In the "financial inclusion" category, the results show that there is greater emphasis on "financial inclusion," "women," "underserved," "entrepreneur" and "business ownership". This suggests that Grameen America focused more on serving underserved women in America during the COVID-19 period to bring them into the formal financial system and empower them by giving them loans, which they can use to start a business and become successful entrepreneurs. Grameen America's focus on financial inclusion during the COVID-19 pandemic signals that it is able to respond adeptly to meet the changing welfare needs of members in the post-COVID world.

In the "sustainable development" category, the results show that there is greater emphasis on "sustainability" during the COVID-19 pandemic than in the pre-COVID period. This suggests that Grameen America is likely to focus on sustainability in the post-COVID years, which is an overarching theme of all the UN's SD Goals.

Finally, the total keywords count is 40 for the "financial instruments" category, 124 for the "ethics" category, 95 for the "operational changes" category, 326 for the "financial inclusion" category and 34 for the "sustainable development" category. This implies that Grameen America had greater emphasis on ethical considerations and financial inclusion during the COVID-19 pandemic and this trend is likely to remain in the post-COVID period. This finding shows that Grameen America prioritized financial inclusion for women, which is aligned with the UN's SD Goals. The finding also supports the vulnerable group theory of financial inclusion, which argues that financial inclusion efforts should be directed to vulnerable groups in society such as women.

6.3 Grameen America: plans for the Post-COVID world

In this section, we identify post-COVID strategies which are embedded in futuristic statements made by Grameen America in the 2020 Annual Report. We analyze the futuristic statements in Table 4 below and draw implications for the post-COVID world. Statement 1 shows that Grameen America plans to expand its microfinance lending program to reach more women in Connecticut, TX and New Jersey to reach more members in different states. Statement 2 shows that Grameen America is developing an initiative to address the longstanding systemic racism and racial injustice experienced by Black women which often manifest through insufficient access to affordable credit and capital when they engage with the traditional banking system. This initiative will lead to ethical and moral inclusivity for ethnic minorities, particularly Black women in the post-COVID years. Statement 3 shows that Grameen America plans to expand its business through the creation of more branch networks in the post-COVID years. Statement 4 suggests that Grameen America will use several financial schemes or instruments to invest in small businesses owned by Black entrepreneurs. This will increase inclusiveness and contribute to achieving the UN's SD Goals. Statement 5 suggests that Grameen America plans to increase financial inclusion toward the attainment of the UN's SD Goals. Statement 6 shows that Grameen America plans to use digital technology to reach new members. It also plans to continue using digital technologies to disburse loans to members. Overall, these futuristic statements made by Grameen America in the Annual Reports (as shown in Table 4) have shown that it plans to increase financial inclusion using financial schemes and boost moral inclusiveness for underserved American women not only in the COVID-19 period, but also in the post-COVID period. The findings support the special agent theory of financial inclusion which argues that financial inclusion goals can be best achieved by a special agent such as Grameen America.

6.4 Grameen America's impact through the eyes of members

In this section, we report personal reflections of Grameen America's members who were affected by the pandemic. Combined with the analysis of the Bank's reports, the member reflections on their personal struggle with the pandemic personify the impact of Grameen America's role in lessening the members' financial hardships. They further support the Bank's mission to promote financial inclusion and sustainability among underserved female small business owners. All the quotes were taken from Grameen Bank Annual Report (2020) and Grameen Blog.[16]

Reflecting on her microloan experience as a Juice Bar owner in Austin, TX, Maria says the following:

> Loans from Grameen America helped me realize my dreams. (Grameen America Annual Report, p.8).

Lanise and Janine, Co-Owners of a Vegan Food Business in Harlem, New York, reflects on the profound impact of the Bank in offering Grameen America Member Economic Relief and Recovery Fund by saying:

> Grameen America came in and was a life saver during this time (Grameen America Annual Report, p.12).

Aurora, an owner of a small clothing store in a mall outside Houston, TX, reports on her experience:

> I want other women to know that with great effort and perseverance they can achieve anything (Grameen America Annual Report, p.20).

Monae, an owner of a Hair Salon in Harlem, New York, emphasizes the importance of achieving racial equity among underserved Black women as she states:

> It is actually a blessing to have a business as minority women in Harlem (Grameen America Annual Report, p.26).

Diana, an owner of a Perfume Store reflects on how her microloan provided an economic opportunity and safety net to her family by reporting:

> Through Grameen America, I am able to grow my business and create a better life for my two children (Grameen America Annual Report, p.28).

Leticia, a restaurant owner in New Jersey, reflects on the challenges she faced as the pandemic upended the restaurant industry in the USA by saying:

> I had just begun renting a second storefront, so I had two rent bills, two electricity bills, and every other cost doubled. Because of the pandemic, no one was coming in, and I got worried because I had too many expenses and not enough revenue. My mentality around savings is totally different after joining Grameen America. You never know if the fridge is going to die or if the prep table is going to break, and those things have happened to me. I have a long-term vision now, and Grameen America is helping me achieve it (Grameen America Blog).

She further emphasizes the importance of the support she received after joining the Bank by saying:

> Grameen America will help you build your vision and connect you with others who want to support you in your goals (Grameen America Blog).

Angelita, an owner of a Hair Salon in Union City in New Jersey, reflects on her health problems that she faced after contracting COVID-19 by saying:

> I was on oxygen for a week. A doctor would have to come to my home, administer difference medicines, and monitor my condition every day. It was really scary time. I am very grateful for the help of my family, community, and Grameen America. At such difficult time, they kept me in mind. Now, more than ever, I want to give them my very best. As members we are living proof for our families and communities that, with help, anyone can succeed. My life has changed for the better because of Grameen America, and people need to know how transformative the program can be (Grameen America Blog).

Meregilda, an owner of a Caribbean restaurant in Brooklyn, New York, reflects on how she overcame the challenges brought by the pandemic and built her dream business by saying:

> "\With my loans I have been able to pay the salaries of new employees which has allowed me to bring on the extra help I needed at the restaurant. My credit score is also better than it has ever been. I try to talk about Grameen America as much as possible. After being a stay-at-home mom for over twenty years, my restaurant was a chance to finally live my dream, and Grameen was a big part of turning that dream into reality (Grameen America Blog).

Alfa, an owner of a Nail Salon in Miami, reflects on the typical responsibilities a small business owner faces on a regular basis. Because of the pandemic, she pivoted her business to offer at-home services. However, she had to reorder expensive beauty supplies to stay afloat. She describes her experience by saying:

> There came a point when I could only afford to pay rent. No products, no chairs, nor any of the other equipment and supplies I needed to build out a fully functional salon (Grameen America Blog).

Upon attending Grameen's weekly virtual meeting, she started to share her experience and learn from other small business owners:

> This is still fairly new to me, but I have really been enjoying seeing everyone at the virtual meetings. They have been very kind and welcoming (Grameen America Blog).

Blanca runs a family-owned and operated Thrift Shop in Jackson Heights, New York. Despite social distancing, Blanca and her whole family contracted COVID-19 in April 2020. However, upon securing a microloan, $14,500, from Grameen America, Blanca managed to reopen her store. She reflects on that experience by saying:

> During this time, it has been difficult, but it is great to know that there is an organization that still believes in us and helps us during this difficult time. I want people that are like me to know that no matter where you come from, America is a place where you can make your dreams come true. With the help of an organization like Grameen America, anything is possible. (Grameen America Blog).

7. Conclusions, implications and limitations

Financial inclusion is an issue of importance to many underserved and underbanked communities all over the world. The rise in poverty rate among women and minority small business owners has been in part because of the microlending institutions' reluctance to offer credit to struggling owners. In the USA, barriers to credit are often attributed to the rigid requirements of available collateral and a strong credit score. Prior literature addressed the initiatives of microlending institutions such as Grameen Bank to achieve financial inclusion among financially vulnerable women. The current case study contributes to the literature on financial inclusion and poverty alleviation by examining Grameen America's response to the pandemic by identifying and assessing the Bank's key initiatives and their impact within the framework of the UN's SD Goals in the post-COVID world.

In line with our expectations and consistent with prior literature on Grameen Bank (Abu, 1994; Jain, 1996; Islam, 2008; Bhuiyan *et al.*, 2012; Chowdhury *et al.*, 2013; Suzuki *et al.*, 2013; Uddin, 2016; Mamun *et al.*, 2019; Becerra *et al.*, 2020), we find that Grameen America focused more on its ethical responsibilities to members than its sustainability as an organization during the pandemic. This suggests that membership-based microfinance institutions which face an ethical dilemma between pursuing their own organizational sustainability and supporting their members tend to sacrifice their organizational self-interests to fulfill their ethical duties to members during difficult times. Also, we find that Grameen America prioritized financial inclusion by alleviating the financial hardships of its members and creating strategic partnerships with external organizations, thereby contributing to the attainment of the UN's SD Goals 1 and 17. The finding supports the vulnerable group theory of financial inclusion which argues that financial inclusion efforts should be directed to vulnerable groups in society such as women. Finally, we find that Grameen America's plans to support financial inclusion using creative schemes and foster moral inclusiveness for women in the post-COVID period supports the special agent theory of financial inclusion which argues that financial inclusion goals can be best achieved by a special agent such as Grameen America.

The findings from this case study have important social and practical implications. The social implication of the findings is that helping members of society to cope with the difficulties brought about by COVID-19 increased the sense of belonging among members and made them feel cared for, thereby increasing financial and social inclusion among underserved people. The implication for practice is that policymakers should encourage the creation of more member-based financial and non-financial institutions that can help members integrate financially and socially into society. Also, practitioners should increase their ethical duties and responsibilities to their members in society in good and bad times as members tend to value the ethical aspect of financial businesses.

Notwithstanding the significant contributions of this case study, the findings are limited in some respects. First, the case study focuses on the Grameen America's unique experience regarding its response to COVID-19 pandemic. This may affect the interpretation and generalization of the findings of this study. Performing comparative views across wide range of relevant microlending institutions could help improve the generalization of the findings. Also, the case study examines the impact on women and minority groups who were particularly affected by the pandemic. The results should, therefore, be interpreted with care as circumstances may change over time. There are venues for future research. For example, in the absence of extenuating circumstances like the pandemic, future longitudinal research would not only provide greater time for observing the impact of microlending institutions' initiatives but also a different perspective that is not tied to certain circumstances. Finally, future research could examine global microlending strategies undertaken by banks to determine their alignment with different set of UN' SD Goals.

Notes

1. www.un.org/sustainabledevelopment/poverty/
2. www.un.org/sustainabledevelopment/globalpartnerships/

3. https://grameenbank.org/founder-2/
4. https://grameenfoundation.org/about-us/why-grameen
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13. www.mdrc.org/news/press-release/grameen-america-s-microlending-program-reduces-material-hardship-and-increases
14. For more information on the CARES Act, please visit this link: https://home.treasury.gov/policy-issues/coronavirus/about-the-cares-act
15. PrimaCare mission is to "provide underserved women from low-income immigrant communities with a health promotion and empowerment program that utilizes a community health worker model to create healthier lives." Source: https://grameenprimacare.org
16. www.grameenamerica.org/blog

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