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Micro-loan pioneer Muhammad Yunus to speak at Vanderbilt

NASHVILLE, Tenn. – Muhammad Yunus earned his Ph.D. in economics at Vanderbilt in 1970 then went home to Bangladesh where he began changing the world, one small loan at a time.

In the early 1970s, he became head of the rural economics program at Chittagong University in Bangladesh. On his way to work, he'd pass villagers – mostly women – who needed a few dollars to fund an enterprise or purchase livestock. But those funds just weren't available to them, and, consequently, economic independence was out of their reach.

So on a visit to the village of Jobra in 1976, he distributed the \$27 in his pocket among 42 self-employed crafts workers. The loans, so small no conventional bank would consider them, were repaid, and the money was loaned again to other people – again, without collateral, on a system based on mutual trust, accountability, participation and creativity. Thus was born the Grameen (which means “rural” in Bengali) Bank and its micro-loan program, now replicated in other impoverished parts of the world. The model has even been exported to the United States, where it serves low income people excluded by traditional banks.

Yunus reasoned that if financial resources can be made available to the poor on terms and conditions that are appropriate and reasonable, “these millions of small people with their millions of small pursuits can add up to create the biggest development wonder.”

Yunus will be at Vanderbilt University on Friday, Jan. 28, to tell his story, recently captured in his autobiography, *The Banker to the Poor: Micro-lending and the Battle Against World Poverty*. His speech is scheduled for 3:10 p.m. in Room 103 of Wilson Hall. A reception with Yunus will follow his remarks. The event is free and open to the public.

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The Grameen Bank has experienced tremendous growth in its 29-year history, having loaned \$4.57 billion to date, 99 percent of which is repaid despite the lack of collateral or signed loan documents. With 1,326 branches, Grameen Bank provides services in almost 48,000 villages in Yunus' native land.

Recent additions to the programs Grameen offers are loans for beggars to aid them in finding financial security, and the initiative by Grameen Telecom to place cellular telephones in rural villages; to date, almost 88,000 borrowers have bought community phones to be used on a per-minute basis by villagers. About half the villages in Bangladesh that never had access to a phone now have it because of this program.

Yunus has earned global acclaim for his innovative work to benefit the rural poor and has been recognized with honors and appointments from many governments, the World Bank and the United Nations. He was named Vanderbilt's first Distinguished Alumnus in 1996.

The lecture is being presented as the Georgescu-Roegen Lecture in partnership with the Department of Economics of Sewanee: The University of the South. Other sponsors are Vanderbilt's Department of Economics through its Graduate Program in Economic Development, the Center for the Study of Religion and Culture, the Cal Turner Program for Moral Leadership in the Professions and the College of Arts and Science.