MUHAMMAD YUNUS

Muhammad Yunus is an entrepreneur, a serial entrepreneur, a social entrepreneur. In the words of his fellow economist Joseph Schumpeter, he is a creative destructor of equilibrium. Born in 1940 to a Muslim family, in what was then known as East Bengal, in British India, Muhammad Yunus has consistently displayed his patriotism to his fellow Bangladeshi citizens, especially the disenfranchised poor. He excelled in his studies in his teens and later studied at Dhaka University, gaining a BA and MA in Economics. On graduation, he worked with the Bureau of Economics as a research assistant and later as a lecturer in Chittagong College, during which time he set up a profitable packaging factory.

In 1969, as a Fulbright scholar, he gained a PhD in Economics from Vanderbilt University in Nashville, Tennessee and then worked as an assistant professor in economics at Middle Tennessee State University until 1972. That time coincided with the War of Liberation, which eventually led to the establishment of Bangladesh as a new nation in 1971, and to his return home to participate in the creation of a free, independent nation. While in Nashville he had established the Bangladesh Information Centre and published the Bangladesh Newsletter to support the liberation campaign.

Not content with merely teaching them the theories of economics, he took his University of Chittagong students on field trips to rural Bangladesh, especially after the 1974 famine, when faces of silent starving people haunted him. He developed the Three Share Farm structure, later adopted by the government. He learned about the persistent cycle of indebtedness many of the poor face – without access to information or to markets, they depend on local merchants and moneylenders. In 1976 Ms Sufiya Begum, a skilled weaver, recounted to him her experiences of interest rates equivalent of around 14,000 percent, on tiny loans of 22 cents, given by the moneylender on condition that she would sell him all her bamboo stools at a price he decided. Ever the educator and entrepreneur, Yunus mobilized the resources he had – his own students – to work as volunteer bankers in her village. Thus the Grameen or Village Bank came into being – challenging the norm in banking of only lending to those who already have money. Yunus was in his 30s when he crystallised his thoughts on the importance of micro-credit. Did he know in 1976 that loans totalling €21 of his own money to 42 women (an average of 50 cents each) would be the beginning of a major international movement? Since its inception in 1976 Grameen Bank has disbursed loans totalling over €9 bn to 7.4 m borrowers.

There is a Bengali proverb that translates as ‘There is not a single village without a river or a rivulet and a folk poet or a minstrel’. Muhammad Yunus believes that there is not a single village without an entrepreneur. He believes that poor people are well able to rely on their own strength to lift them out of poverty through their own entrepreneurial survival skills. He recognizes that one of the keys to breaking the cycle of poverty is to give people a chance, to give them the seeds in the spring, to cultivate in the summer and to reap in the autumn. Without the seeds of microcredit, how could they cultivate and reap?

It is fitting that Muhammad Yunus is with us in Dublin today. Our own Dubliner, Dean Jonathan Swift, established the Irish Loan Fund in the 1720s providing small loans to the rural poor, insisting that each borrower have two co-signatories to ensure the small weekly repayments were made. But while Dean Swift continued with his writings and church ministry, Muhammad Yunus continued to grow and develop Grameen Bank. He has the gift of choosing the right people to help him realize his dream; the gift of inspiring them to work with him; and the gift of inspiring people worldwide. He leads the owners of the bank – the poor themselves - in building a mutually supportive community built on the supporting blocks of groups of five women who are friends but not related. All group members have an incentive to help each other solve and indeed prevent problems. Group membership brings them into a network of access to other resources such as education, clothing, tools, and childcare services. This mechanism generates social capital and self-efficacy – key elements in entrepreneurship. It also leads to social and political empowerment, self-esteem and dignity. It is development from below.

One of the most remarkable aspects of the Grameen Bank is that nearly 100% of loans are made to women. In the words of Bangladesh’s national poet Kazi Nasrul Islam: 
*Everything that is great in the world, all the works, beneficial and good, half must be credited to woman, and to man half only we should.*

Grameen Bank’s experience is that women have a better repayment record and more importantly that investing in women brings more benefits and prosperity to the family in terms of education or reinvestment.

Given judiciously and in conjunction with the appropriate training and mentoring, microcredit can have a powerful impact. Grameen Bank developed the Sixteen Decisions pledge that borrowers make regarding their lives – in terms of children’s education, setting and achieving goals, and communal collaboration and support. But Grameen Bank is not merely a bank. It is also a group of spin-offs established to help borrowers develop economically viable and socially beneficial enterprises in industries such as textiles, renewable energy, fish farms, IT training, healthcare, and education. Charity takes away initiative and responsibility from people. Social business provides economic stability and genuine meaning.

In addition to his leadership in social entrepreneurship and social business, Muhammad Yunus has published many books and regularly contributes to various media. Researchers in the fields of finance, marketing, leadership, political science and development studies have studied his achievements. Among the long list of honours he has received are honorary doctorates from across most continents, membership of the Board of the United Nations Foundation and of the Chirac Honour Committee. The Ashoka Foundation named him an Ashoka Fellow in 2001. In 2006 the Nobel Prize for Peace was awarded to him and to the Grameen Bank for their efforts in economic and social development. He was a member of The Elders, a group of former world leaders including Nelson Mandela and Ireland’s Mary Robinson. He is a member of the Africa Progress Panel promoting sustainable development in Africa.

Muhammad Yunus is an accomplished economist, banker, teacher, leader, an empowerer of women, and a social entrepreneur.

A Uachtarán, I ask you to confer on Muhammad Yunus the degree of Doctor of Philosophy *(Honoris Causa)*.