

## Biography of Professor Muhammad Yunus

Professor Muhammad Yunus was born on June 28, 1940. He is the founder and managing director of Grameen Bank, which pioneered microcredit. This is a method of banking where small loans are given to the poor, mostly to women, without collateral, for income-generating activities, to help them get out of poverty.

The third of nine children, Prof Yunus was born in the village of Bathua, Chittagong. His father was Haji Muhammad Dula Mia Shawdagar, a jeweller, and his mother was Sofia Khatun. In 1944, his family moved to the city of Chittagong, and he studied at Lamabazar Primary School. Later, he passed the matriculation examination from Chittagong Collegiate School.

During his school years, he was an active Boy Scout, and travelled to West Pakistan and India in 1952, to Europe, the USA, and Canada in 1955 and to the Philippines and Japan in 1959, to attend Jamborees. In 1957, he enrolled in the Department of Economics at Dhaka University and completed his BA in 1960 and MA in 1961.

Following his graduation, Prof Yunus joined the Bureau of Economics, Dhaka University. Later he was appointed as a lecturer in economics in Chittagong College in 1961. In 1965, he was offered a Fulbright scholarship to study in the United States. He obtained his PhD in economics from Vanderbilt University in the US in 1969. From 1969 to 1972, he was an assistant professor of economics at Middle Tennessee State University in Murfreesboro, TN.

During the Liberation War of Bangladesh in 1971, Prof Yunus founded a Citizen's Committee in Nashville, TN, published a newsletter named *Bangladesh Newsletter*, and ran the Bangladesh Information Center in Washington DC with other Bangladeshis living in the US, to raise support for the liberation of East Pakistan and lobby at the US Congress to stop military aid to Pakistan. Inspired by the birth of Bangladesh in 1971, Prof Yunus returned to that country in 1972, and joined the Economics Department of University of Chittagong after a brief spell in the Planning Commission.

He became actively involved with poverty reduction after observing the famine of 1974, and established the Rural Economics Programme as part of the department's academic programme. In 1975, he organised Nabajug (New Era) Tebhaga Khamar (three share farm), which the government later adopted as the Packaged Input Programme.

In 1976, during visits to very poor households in the village of Jobra near Chittagong University, Prof Yunus discovered that very small loans could make an

enormous difference to a poor person's life. Jobra women who made bamboo furniture had to take out loans at usurious rates for buying bamboo, and had to give up their profits to the moneylenders. Shocked by this reality, he lent \$27.00 from his own pocket to 42 people in the village to help them pay back their loans to the loan sharks and be free.

When he approached traditional banks to lend to the poor, he found that they were not interested as the poor were not considered creditworthy. Prof Yunus strongly believed that, given the chance, the poor would repay the borrowed money, and that it would help them work their way out of poverty. After many efforts, he finally succeeded in securing a credit line from Janata Bank, offering himself as the guarantor, for his project to lend to the poor in Jobra in December 1976. On October 2, 1983, the project was converted into a fully fledged bank named Grameen Bank (Village Bank), specialising in making small loans to the poor.

As of May 2008, Grameen Bank (GB) has 7.5-million borrowers, 97% of whom are women. With 2 515 branches, GB provides services in 82 072 villages, covering more than 97% of the villages in Bangladesh. It has lent over \$7-billion to poor people since its inception and the repayment rate has been near 100%. All its money comes from the depositors of the bank.

Prof Yunus has also founded a number of companies in Bangladesh to address diverse issues of poverty and development. These include Grameen Phone (a mobile telephone company), Grameen Shakti (an energy company), Grameen Fund (a social venture capital company), Grameen Textile, Grameen Knitwear, Grameen Education, Grameen Agriculture, Grameen Fisheries and Livestock, Grameen Business Promotion, Grameen Danone Foods Ltd, and Grameen Healthcare Services. He is also the founder of Grameen Trust, which extends the Grameen microcredit system all over the world.

In October 2006, Muhammad Yunus was awarded the Nobel Peace Prize, along with Grameen Bank, for their efforts to create economic and social development. The Norwegian Nobel Committee stated: "Muhammad Yunus has shown himself to be a leader who has managed to translate visions into practical action for the benefit of millions of people, not only in Bangladesh, but also in many other countries. Loans to poor people without any financial security had appeared to be an impossible idea. From modest beginnings three decades ago, Yunus has, first and foremost through Grameen Bank, developed micro-credit into an ever more important instrument in the struggle against poverty." Prof Yunus became the first Bangladeshi and third Bengali to get a Nobel Prize.

He has won a number of other awards, including the Ramon Magsaysay Award, the World Food Prize and the Sydney Peace Prize. Within Bangladesh, he has received the President's Award (1978), Central Bank Award (1985), and

Independence Day Award (1987), the highest national award. The Bangladesh government brought out a commemorative stamp to honour his Nobel award.

Prof Yunus was inducted as a member of the Legion d'Honneur by President Chirac of France. In January 2008, Houston, Texas declared January 14 as Muhammad Yunus Day. He is one of the founding members of the Global Elders, chaired by Nelson Mandela. He was the commencement speaker at MIT on June 6, 2008.

Prof Yunus has been awarded 28 honorary doctorates and serves on the board of many national and international organisations. He is the author of two *New York Times* bestsellers – *Banker to the Poor* (1997) and *Creating a World Without Poverty, Social Business and the Future of Capitalism* (2008).

Muhammad Yunus is married to Dr Afrozi Yunus, and has two daughters, Monica and Deena.