

**Oration for
Professor Muhammad Yunus
Thursday 24th November 2011**

Director, ladies and gentlemen, it is a great honour and privilege to propose Professor Muhammad Yunus for an honorary degree. As everyone here must know, Professor Yunus's work with the Grameen Bank has helped to improve the lives of tens of millions of people, and most of all poor women borrowers in his native country of Bangladesh. As many of us also know, Professor Yunus is one of the most respected, and I would say most loved, visitors to the School, and I expect that tonight again it will be some time before he sits down to a dinner in his honour. Professor Yunus always makes time for our students and visitors, and his kindness, warmth and charisma are appreciated, I think, almost as much – almost as much – as his extraordinary achievements in the fields of microfinance and social business.

Let me tell you a bit more about the man and his work. Muhammad Yunus was born in 1940 in a village close to the city of Chittagong, eastern Bengal, then part of British India. He mainly grew up in Chittagong and went to school there before enrolling in the Economics Department of Dhaka University, where he received his BA in 1960 and MA in 1961. In the same year, Professor Yunus was appointed to a Lectureship in Economics at Chittagong College. He stayed there until 1965 when a Fulbright Scholarship took him to Vanderbilt University in the United States for his doctorate in Economics. After a short teaching stint in the US, Professor Yunus returned to newly independent Bangladesh following the war of liberation in 1971.

While teaching at the University of Chittagong, Professor Yunus became increasingly interested in rural economics, and in the plight of small farmers and landless labourers. Famously, in 1976 he lent the equivalent of US \$27 to 42 people in Jobra village, close to Chittagong, with the aim of releasing bamboo workers from the grip of local moneylenders. This, in a very real sense, was the start of what became in 1983 the Grameen Bank – and indeed of the worldwide microfinance movement in its most recent and best known incarnation. Professor Yunus realised that traditional banks were not lending to poor people, and especially not to women. They were not considered creditworthy. The Grameen Bank, in contrast, took the view – and still takes the view – that poor people will use small loans to work (or manufacture) their way out of poverty. They then repay their loans at least as reliably as anyone else.

It's sometimes difficult now, thirty five years on, to recognise just how enabling – just how revolutionary – these intuitions were. In the early days, Professor Yunus made himself the guarantor for a credit line from the Janata bank to poor households in Jobra. Yet by the end of the last decade the Grameen Bank had over 7.5 million borrowers, 97 per cent of whom were women. In Bangladesh alone the Grameen – or village – Bank has lent more than \$ 7 billion to poor people since the mid-1980s, and today it has a presence in over 95 per cent of the country's villages. It is also to be found in countries throughout the global South, and indeed in New York and the UK.

Professor Yunus's extraordinary achievements, and those of the Grameen Bank more widely, were recognised in 2006 by the award of the Nobel Peace Prize. The Norwegian Nobel Committee recognised that poor people without security generally pull their way out of extreme income poverty by finding waged work or by accumulating small assets. Economic and social development happens partly from below, as the Nobel citation has it. By enabling millions of people to access microfinance and technologies that otherwise would have been unavailable to them, the Grameen Bank has helped poor families to lives of respect, dignity and opportunity. The same can also be said of Professor Yunus's more recent innovations in the fields of social business or entrepreneurship: the Grameen Phone, Grameen Shakti (an energy company), the Grameen Textile and Agriculture Companies, and more recently the tie up with a French company, Danone, that Professor Yunus wrote about in his 2007 book, *Creating a World Without Poverty*.

In addition to the Nobel Peace Prize, Professor Yunus, the banker to the poor, has been awarded more honorary degrees and national and international prizes than I have written academic books and papers. Really. If I was to read out the list of his awards it would prolong this joyful occasion by at least half an hour. Let me just say that Professor Yunus has recently been honoured by the following universities amongst many, many others: Duke University in the US, Kyushu University in Japan, the Catholic University of Guayaquil in Ecuador, the Higher School of Economics in Moscow, Russia, and Glasgow Caledonian University in Scotland. In addition, Professor Yunus has been the recipient of the Independence Day Award, Bangladesh's highest award (in 1987); the Mohamed Shabdeen Award for Science (in 1993), the World Food Prize (in 1994), the King Hussein Humanitarian Leadership Award (in 2000), the Volvo Environment Prize (in 2003), and the Franklin D. Roosevelt Freedom Award (in 2006). Professor Yunus is also a member of the board of the United Nations Foundation.

This year, notwithstanding these myriad achievements, Professor Yunus has been having some difficulties with the retirement age in Bangladesh. He has been told he is too old to be a Managing Director of a bank there. It is not for me or LSE to judge the laws of Bangladesh, although I do note that several international figures, including Mary Robinson, Hillary Clinton and John Kerry, have expressed concern about Professor Yunus's position. I would like to let you know, however, Professor Yunus, that the Government of the United Kingdom, in its wisdom (if that's the right word) has just within the last month or two removed the default retirement age in this country. So, if you do find yourself with time on your hands – which seems unlikely given your extraordinary energy and commitments – do always please consider yourself welcome here at the LSE: if you want somewhere to teach, please consider us.

With that happy thought in mind, may I, Director, request that by the authority of the Court of Governors, you admit Professor Muhammad Yunus to the degree of Doctor of Science (Economics), *Honoris Causa*.

Stuart Corbridge