

## Stratton Lecture on Critical Issues

This program is free  
and open to the public.

### Wong Auditorium

The Tang Center  
Building E51  
70 Memorial Drive and  
Wadsworth Street  
Cambridge, MA

*Banks can provide micro-finance profitably on a large scale. But most banks do not yet know this.*

*In some developing countries, outsiders in villages used to be mainly missionaries. Now they are mainly bankers.*

*Savings accounts in banks are legally recognized assets, often the first that poor families acquire.*

*When microfinance clients' incomes increase, the first changes made are typically better nutrition and children's education.*



A source and resource for MIT women

*"Large Scale Banking for the Poor" continues the Catherine N. Stratton Lectures on Critical Issues, which the MIT Women's League sponsors annually to honor Kay Stratton, a woman whose energy, grace, and intelligence have enriched the MIT community for more than sixty years.*

# Large Scale Banking for the Poor

Three distinguished panelists will address  
banking for the poor as a global critical issue

Tuesday  
November 29, 2011  
4:00 – 6:00 pm



Marguerite S. Robinson

Robert Peck Christen

Michael Chu

Why, in the early 21st century has finance for the poor become, for the first time in history, a global critical issue? The recent widespread growth in formal sector financial services for low income people represents a rapidly expanding stage in what many experts believe will result in broad financial inclusion – access to appropriate commercial financial services for all. Provided profitably by regulated financial institutions, microfinance offers products and services that are safe, affordable, and easy to use – and that are in high demand in low income, informal sector markets.

About 70 percent of the world's people live from the proceeds of activities in the informal economy which, like all business endeavors, require financing—from working capital to tools, equipment, and labor. But historically most low income people have been left out of the banking system altogether. Instead they use local moneylenders, whose interest rates on loans are much higher than bank rates. And they stash money in the mud floors and thatched roofs of their houses, or pay informal savings collectors to holding their money.

However, major advances over the last decade range widely: improved knowledge of the lives and financial needs of poor people; progress by regulators in providing enabling environments for commercial microfinance; development and delivery of demand-driven products—loans, savings, insurance, payments, and others; breakthroughs in technology that enable wide outreach, faster service, and improved security; and demonstrated successes of financial institutions with millions of microfinance clients -- in such countries as Bangladesh, Bolivia, Cambodia, Kenya, Indonesia, Mexico, Mongolia, Peru, and South Africa.

Commercial microfinance has become a critical issue because it has proven its profitability and scalability, and because it is the only possible route to long term global financial inclusion. The speakers will discuss both obstacles and opportunities that lie ahead on this road.

### The Moderator

**Marguerite S. Robinson** has worked extensively on developing commercial microfinance in Asia, Africa, and Latin America, where she has carried out intensive fieldwork in rural and tribal areas and urban slums. She has served as policy advisor to finance ministries, central banks, commercial banks, donors, and others. From 1979–1992 she advised Indonesia's Finance Minister on transforming Bank Rakyat Indonesia's failed rural banking units to a nationwide commercial microbanking system; it now has the largest number of microfinance clients in the world. Robinson has advised Equity Bank (Kenya) from its pre-banking days; she continues to advise the bank, now an African and world leader in microfinance. Her writings include books on India and Sri Lanka, and Volumes I and II of *The Microfinance Revolution*; a third volume is in progress.

### The Panelists

**Robert Peck Christen** is President of the Boulder Institute of Microfinance, and former Director of Financial Services for the Poor at the Bill and Melinda Gates Foundation. From 1998-2004, he was Senior Advisor to the Consultative Group to Assist the Poor (CGAP) at the World Bank. He has founded a number of important initiatives and institutions that serve the microfinance industry exceptionally well, including the Boulder Institute (which now trains about 400 people from about 100 countries each year), and the Microfinance eXchange (MIX), which has built, and operates, what is considered the world's largest and best microfinance database. He writes broadly on financial services for the poor.

**Michael Chu** is Senior Lecturer at the Harvard Business School, where he teaches the course *Business at the Base of the Pyramid* and co-chairs the Executive Education Program, *Strategic Leadership for Microfinance*. He is Managing Director & Co-Founder of the IGNIA Fund, an impact investing venture capital fund in Mexico focused on commercial enterprises serving low income sectors. Previously, as President and CEO of ACCION International, Chu participated in the founding and governance of major microfinance banks in Latin America, including BancoSol (Bolivia) which he chaired, Mibanco (Peru), and Compartamos Banco (Mexico) which, following its IPO in 2007, was incorporated into the index of the Mexican Stock Exchange. Before that, he was with the leveraged-buyout private equity firm Kohlberg Kravis Roberts & Co.



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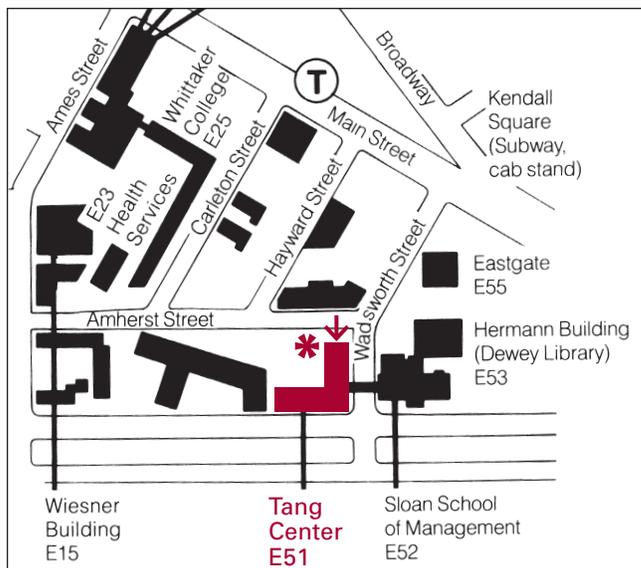


### Wong Auditorium, The Tang Center Building E51

The Tang Center can be  
reached by subway at the  
Kendall/MIT stop on the  
Red Line or by car.

### Entering

The entrance to the Tang  
Center is on the corner  
of Wadsworth and Amherst  
Streets. Wong Auditorium  
is on the mezzanine level.



### Parking

Garage parking is available  
on Ames Street behind  
Legal Sea Foods.

## Why has large scale banking for the poor become a critical issue on a global scale?

Over 70 percent of the world's poorest people live from the proceeds of activities that require financing, from working capital to tools, equipment, and labor as well as food, clothing, housing, emergencies, health, education, business, transportation, and ceremonies. Yet most of these low-income people live in informal economies that leave them out of the banking system. While many experts believe that commercial microfinance will result in global financial inclusion for all, the panel will discuss obstacles and opportunities that lie ahead.