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Reverse migration may open fresh business opportunities to micro lenders: Muhammad Yunus

BY [ATMADIP RAY](#), ET BUREAU | JUN 06, 2020, 08.44 PM IST

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Kolkata: The reverse migration of workers in India may throw fresh business opportunities to micro lenders as a significant chunk of these workers vow not to return to their outside workplaces and would look to set up own ventures for sustenance in their native villages, father of microfinance Muhammad Yunus said.

[Microfinance lenders](#) need to revisit their strategy and built products suitable for this emerging borrowers, he told industry leaders on Saturday.

"Building the rural economy is the essence of microfinance. Rural economy should not be left as appendix of urban economy but have a identity of its own. It's a shame that people are forced migrate outside in search of jobs and livelihood," the 2006 Nobel Peace Prize winner said, in a webinar on "Financial Inclusion in a post [Covid Era](#)". It was organised by Sa-Dhan, an industry body of micro lenders.

"We have to rethink, redesign. Coronavirus has given us a great opportunity to reinvent," he said, underscoring the importance of reinforcing the social focus back in microfinance business.

Citing examples of a business model followed by Bangladesh's [Grameen Bank](#), Yunus said that microfinance institutions should create venture capital funds to take equities in rural ventures.

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He expressed optimism that microfinance would emerge stronger and flourish after the pandemic as long as the customer connect is maintained.

He suggested a national disaster fund which should be for the sector and managed by the sector. A disaster fund can help people tide over difficult situations.

The webinar was moderated by [Bandhan Bank](#) managing director Chandra Shekhar Ghosh and attended by sectoral leaders like Manoj Nambiar, managing director of [Arohan Financial Services](#) and Sa-Dhan executive director P Satish.

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