

Ryanne Born

UNIV 391

## You Can Hear Me Now: How Microloans and Cell Phones Are Connecting the World's Poor to the Global Economy

The book *You Can Hear Me Now*, by Nicholas Sullivan, describes the success of microloans by using the case study of GrameenPhones in Bangladesh. The idea behind GrameenPhone came from Iqbal Quadir who believes that “connectivity is productivity”, and to end the cycle of poverty you must connect people with their local and global markets where money is being traded and invested. By partnering with the Grameen Bank, GrameenPhones in Bangladesh has had great success connecting the poor by offering microloans to buy cellphones.

These microloans are being given to female entrepreneurs in Bangladesh, known as the phone ladies. With the loan the phone ladies are able to buy and operate a village phone, which they lease out time to other villagers in order to pay back the loan. This has proven to be an effective system, as the phone ladies are able to pay back their loan and make a profit of about \$750 a year, twice the national average. These phones benefit the villagers as well, as by being connected to the local markets they know what price their products are selling for, they are able to transfer money by calling their bank, and they can contact people or businesses instead of making the long walk to them.

Sullivan also discusses his idea of the “external combustion engine”, which consists of the three forces: information technology, native entrepreneurs, and foreign investors. He believes that these three factors can bring people out of poverty by creating economic growth, especially in countries that have been stunted by foreign aid and corrupt governments. He describes how foreign aid is not effective, as often it disappears within corrupt governments and the poor do not benefit from it. Instead, he uses the GrameenPhone as an example of how effective this “external combustion engine” can be when loans are given to the poor and they are held accountable. Sullivan did a great job on the book, showing how important

microloan are to the developing world and how successful GrameenPhone has been in Bangladesh. It also made me think about how we take cell phones for granted, when many people in the world have never seen one before. It made me realize how crucial cell phones are and how they can transform lives by connecting people.