

ID Cards: Taking a Bull by the Horn

The prospect of Identity Cards for our voters is greeted with a very wholesome feeling indeed. Only that we would like to be fully assured of a fool-proof professional approach to the stupendous task of handing in computerized ID cards to an electorate of our size. Besides, it is growing at the turn of every year.

Time-bound preparations are afoot, as revealed by the Chief Election Commissioner Justice Abdur Rouf: voters with identity cards will be casting their ballots in the next general election, scheduled for 1996. The EC chief sounded optimistic that if a two-year master plan, developed on the basis of some extremely limited experiment already completed, were undertaken, we could have ID cards for all in good time. We are against hurrying through the process for the simple reason that this is for the first time we are addressing a task of this enormity and high level of sophistication.

There is evidently a difference between handling small, isolated and manageable exercises in pilot areas and taking on a nationwide operation envisaged to be faultlessly linked to a centralised referral system.

As it is, the voters' list we now have — and which was used in the 1991 polls — has had many inaccuracies. There has been a justified clamour, quite unceasingly, for having it corrected and updated. This one anomaly can make elections, although otherwise fairly conducted, avoidably suspect. We have not been able yet to get even a rudimentary system of registering new voters every year to work. So, our first job is to perfect the voters' list, a task that itself must be approached with utmost professional finesse and care. Only after this has been completed to the full satisfaction of all concerned that we can proceed to issue identity cards to voters.

A statutory body such as the Election Commission is best suited to do the job not just because it has the given constitutional image of neutrality but can also rely on its own experienced cadres. What is obviously needed is a high degree of professionalism demonstrated in actual proportion to the complexity of the task and the very exacting nature of the demand for accuracy. So that no seeds of its undoing are ingrained. A flawed computerization of the IDs can do more harm than good. There can be pitfalls at every step of the way and the possibility of bunglings has to be checked.

The move had to be made some day. The national IDs will seal off the possibility of forged voting in the elections and ensure the full exercise of the right to franchise by every voter — if, and only if, the computerization will have been perfect.

By a single stroke we will be making some substantial other gains as well. A census will have been made afresh facilitating population planning and resources allocation. This can stand in good stead as solid spadework for extending social welfare and economic security to our people eventually. It is good that the Election Commission has taken the first step in the direction but they have only begun well enough if they are mentally prepared to take the bull by the horn.

A Precious Find

To find as precious a metal as ilmenite — and in as big a quantity as 10,25,558 tons — is no less a welcome piece of news than striking a gold mine, so to speak. Four teachers of the Department of Metallurgical Engineering of Bangladesh University of Engineering and Technology (BUET) have come up with this pleasant finding after some thorough research. Dubbed as black diamond, and with many and varied uses, ilmenite currently costs the government exchequer quite a few crore Taka for its import. This, according to the researchers, can be done away with if only an arrangement for the extraction of the huge deposit can be made at the coastal belt.

Happily, the technology for extraction of ilmenite is locally available and at a low cost. The BUET researchers are on record that only Tk 35 lakh will suffice for the purpose initially. A pilot plant capable of separating five tons of this metal daily will do the trick. Of the 40 types of mineral found by it, the research group reckons, eight types can be extracted commercially. Taking the researchers for their words, it becomes quite clear that here is an area that has been neglected for much too long. Studies carried out in the past have also found a few other precious metals — zirconium, monazite and thorium to name a few — in the vast expanse of our Cox's Bazar beach. No government is known to have been keen on taking a comprehensive view on the subject of exploitation of the country's mineral resources.

Reason for such an apathy to mineral extraction could have been the lack of sophisticated technology and the huge cost involved in the process of refining such substances to the point of usability. This time however any plea of cost will look flawed for a start that is. An investment of an amount of Tk 35 lakh is very small even by the standard of a local industrial undertaking. Any private entrepreneur of some standing will not find this a hard bargain, specially when the return promises to be quite handsome. This does not necessarily preclude a role of the government. After all, it will be the right authority to decide a policy for the mineral's extraction and uses. As the clearing and policy-making authority, it must take care of the nation's economic interests in the field. No doubt about that. But at the same time, a comprehensive study will be necessary for framing environmentally friendly policy guidelines.

On all these counts, the government will have to take a positive stand — and soon enough. The fact that the country has to spend Tk 80 lakh on ilmenite annually for manufacturing welding electrode only — besides various other variants — speaks of the urgency of establishing a plant for processing the metal. The estimated total deposit of the metal is valued at Tk 1,500 crore and unsurprisingly, this calls for maximum discretion for the substance's extraction. Let the government be equal to the task.

Prof Yunus was quite reluctant to speak to us about his meeting with President Clinton. It was a meeting between two people who knew each other from before, and he did not want to make too much out of it. But to us, the newsmen, it was a major media event, and we wanted to share it with our public.

Following are two extracts from an elaborate interview that The Daily Star conducted at the Grameen Bank headquarters at Mirpur. In it Prof. Yunus talks about his interview with Clinton, and also about his views on the World Bank and the USAID.

The Daily Star (DS): When and where did your meeting with President Clinton take place?

Prof. Mohammad Yunus (MY): This was at around 3:30pm and at the Oval Office. We exchanged greetings and I extended the greetings to him from our GB members while noting how he made us all famous. And then he said 'well, I am your chief publicist'. I said 'thank you very much, we have the greatest publicist that we could expect and I hope that you would continue to remain our chief publicist'. He promptly replied saying 'of course I will because I believe in it'. I said 'it is very important for us because if you even utter once about poverty lending or Grameen Bank (GB) or about programmes for the poor then the work achieves so much more that what can be achieved if we work for 100 years'. Because your impact, your influence worldwide is so much more important than our own. And it doesn't cost you anything just to say that you believe in it. And we get the work done and it makes it so much easier to get the work done because you mentioned it, because you say it is important'. He said 'I assure you that I would continue to do that'. I said 'I am very happy to have this assurance'. Then I told him how happy I was to visit the USAID office because of the dramatic change in its outlook and noted 'I couldn't believe how quickly an institution can be turned around just because somebody different is sitting in the White House. Thank you for making it happen'. Then he looked at me and said 'I am very glad that you have said it, because this is what I wanted to achieve and I'm glad that I am making something happen'. And I said 'I wish you could use your influence on another institution — the World Bank'. He asked 'what is wrong with it?' I said 'the same things which was wrong with the USAID before you came. They don't see the way we see things, they can't see what poverty is and what is needed to address the poverty situation. And the WB is the flagship of all financial institutions. If you can turn the WB one degree then all other financial institutions would also turn one degree. If the WB changes then all the other regional banks, development banks and domestic banks would also change. It is so important to change the flagship'. He asked 'what can I do?' I said 'do ex-

actly what you have done with USAID'. He added saying 'but I need specifics, why don't you give a proposal so that I can work on it'. I said 'I would be very happy to oblige if you want me to'. He replied in the affirmative. I said 'then I will do it and I am very happy that you are interested in doing that because it is so important. As all the things that is happening around the world is because of what these institutions are saying and the investment decisions they are making'. He said 'I believe in it and I would go to any extent that you want me to go and you know that during my election campaign I was promising that, if I am elected I will start Grameen in the US'. I said 'I know that and it made me so happy that you have said that'. He added saying 'I mean it and as now it's time for me to do something else and when I do something with it I will put my attention to this subject'. I said 'I hope you will come back to this subject soon'.

Then there was this letter that I was carrying from the American NGOs of the President of the US. When I arrived at the US, the NGOs met

Interview with Prof Yunus "I am Your Chief Publicist" — Clinton

It was with the above words that Bill Clinton, President of the United States, surprised Prof Mohammad Yunus, the founder and Managing Director of the world famous Grameen Bank, during their meeting at the White House, Oval Office on 8 November 1993. Perhaps the only Bangladeshi ever to develop a personal rapport with a US President, based not on any official position, but creative development work, his meeting bore testimony to the importance the work of Grameen Bank has now acquired. Visiting the US at the invitation of Secretary Warren B. Christopher to address Secretary of State's Open Forum, Prof. Yunus also held talks with high officials of the World Bank and the USAID on the future role of these two agencies in poverty alleviation.

Prof Yunus was interviewed on his return from the US by MAHFUZ ANAM, Editor, and SYED YAMIN BAKHT, Senior Reporter, of The Daily Star.

me and asked me to deliver a letter addressed to the President Clinton.

DS: The US non-government organisations actually conveyed a letter to US President through you?

MY: Yes, that is a very funny thing. More than 200 of the top NGOs in the US wrote a letter to President Clinton and they couldn't think of anybody to take it and thought of me as the right messenger, after they learnt that I would be meeting him soon. I asked them 'why me, this is your President?' They said 'because we thought he will immediately understand what it means if you carry it'. They handed me the letter and asked me to read it. So, I read the letter, a brief one, which said 'we are hearing that there will be a budget cut of 50 per cent or more for international aid for the Third World countries and also for domestic programmes in poverty reduction, health, education and other areas. And you have said in your previous statements that you are for the poor, that you want to help the poor. This is not consistent with the budget cut that we keep hearing about. So, we will hope that you will review this and won't initiate the budget cuts in these areas'. And I agreed to carry the letter and while with him (Clinton), I said, as I presented the letter, I also endorse the view expressed in

will let the NGOs know about it'. Then he asked me how Grameen was doing in Bangladesh. I gave him a brief rundown about our activities. He said 'I am very happy, I hope you continue to do that and if you need any help from me on anything please let me know'.

DS: How long did the meeting last?

MY: About a total of 17 minutes.

DS: What kind of clothes were you wearing?

MY: My usual kurta and pyjama.

DS: We know you are a modest man, but you do understand the significance of your meeting with President Clinton? Do you think that through your personal link with him Bangladesh's relations with the US can further be improved? Particularly in the area of aid and investments?

MY: I don't know how it can be done, because that is an area that I am not familiar with. But, if anything can be done then

President Clinton? Did they show any interest before, during or after the meeting took place?

MY: So far, I have not heard anything from them. But I am not saying that they should.

DS: No, but there was no effort by the Foreign Ministry here to find out what transpired at the meeting? Not even from the embassy in Washington?

MY: The Ambassador called me when I reached Washington and said that he would be very happy if I stayed at this residence. He asked if I could spare an evening so that he could invite some US government officials for a formal dinner. But as I didn't have the time I could not oblige him.

DS: So, now you are preparing or proposing to prepare this paper about the WB that President Clinton requested you to do?

MY: Well, I am thinking about it. But I have not sat down to do it yet.

DS: Is there any timeframe in your mind?

MY: I hope I can do it within a couple of months.

DS: Do you think that President Clinton was very keen on it?

MY: I thought he was quite genuine when he said that it was not just a diplomatic thing saying 'ok, why don't you give something' that will get lost in the piles of paper that he receives everyday.

Can I add one more point about my visit to Washington. When I first arrived I had an invitation to be the chief guest at the inaugural ceremony of Jubilee Jobs, a Washington DC based organisation entrusted with creating jobs for the jobless people. I met them during my last visit and they were very impressed with the GB idea that they wanted to start a Grameen programme for the jobless people in the US capital. I was so happy that finally Washington DC has a Grameen programme.

An idea was born here in Bangladesh and went all the way to the capital of the richest country in the world, to help the poorest in that city. That in a way helped me to complete my mission in this trip, which was to address the attention of the policy-makers who make worldwide impact because of

DS: But they are all decentralised?

MY: Oh yes. We just keep in touch through correspondences and they send their staff to train with us.

DS: What about the one's who seek loans from you to start replication programmes? What is the procedure?

MY: If they want loans to start replication programmes then there are separate procedures. And not all of them need loans but only send proprs for training purposes. We have set up Grameen Trust under which loans are provided for international replication programmes.

their thoughts and their policies.

DS: How many Grameen replication projects are operating in the United States now?

MY: There are more than 200 Grameen replication programmes in the US right now and I met many of them when I went to Arkansas, where people gathered because of the celebration. During my last visit I attended a meeting of the AEO—the Association of Enterprising Organisations—which is an association of the micro-lending programme in the US. More than 200 programmes were represented at that meeting and I was the chief guest at the programme in Raleigh, North Carolina. I was amazed because in a previous convention like that, about two years ago, only 19 programmes were there. So, there are many programmes around the United States and more new ones are coming up.

DS: Among the developed countries Grameen replication programmes in the US is really picking up, but what about in other Western countries?

MY: As I mentioned there is a programme in France, Norway has one and Canada also has several programmes. One of them is just about to start in Toronto and there are several programmes in native Indian reservations.

DS: Among the 40 or so countries which have Grameen replication programmes, which regions are represented?

MY: Asia particularly. There are a number of programmes in the Philippines, more than 36 organisations are involved Grameen replications there and some of them are pretty big programmes by now. Malaysia also has big programmes both in peninsular Malaysia and in Sabah, Indonesia, Sri Lanka, India, Nepal, Bhutan, Pakistan and Vietnam also have replication programmes. Cambodia and Laos are in the process of starting new programmes while China is also about to set up a programme in Beijing.

DS: Do these replication programmes seek help from GB?

MY: Oh yes, they do. They even come here to look at the programmes and most are also trained here. A professor from China was here to train recently and now he is taking the initiative to open the replication programme in Beijing.

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the letter'. He immediately opened and read the letter. It took him about half-a-minute and he told me 'I will make sure that there is no budget cuts'. I said 'thank you very much, I am very happy and I

definitely I will do it. Bangladesh is known in the US and GB is also very well known there.

DS: Did our Foreign Office in Bangladesh try to get a briefing from you on your meeting with

WB—Not the Horse that Can Pull the Poverty Cart

DS: Your basic message to the WB was that if you want to address the poverty situation you have to change and build different institutions?

MY: Yes. Different way of doing things, creating new institutions. WB needs to use a new methodology to address the poverty issue. I told him that what the WB is doing for growth and other things has to be reviewed in a different way. When you are entering the field of poverty alleviation you have to move in an entirely different direction. You cannot use the same experts who build dams, to build programmes for poverty alleviation.

DS: It's not the horse that will be able to pull this cart?

MY: Absolutely, not this cart. This cart would need new wheels, new horses and new everything. And that is precisely what I told the WB. So, he brought his experts and advisors to discuss with me and I explained to them what I believe in and I said 'what you do here makes what people do there and how they suffer because of your decisions here. So, unless you are careful you may create misery for them in the name of development and poverty alleviation. And just giving some money to the OT doesn't solve the problem either, it is only a temporary thing, what I should be saying is that you create a fund and call it micro-lending fund or poverty alleviation fund. Because, now the way you look at it these are just peanuts you are throwing and calling it poverty alleviation programmes. You are saying that poverty alleviation is the focus of the WB but there is no focus in actual operation. All you see is the same highway, the same dams, the same power plants... which

has nothing to do with poverty alleviation. So, you have to design a new batch of programmes, new projects and a new batch of expertise. You don't even have any expertise on poverty alleviation. How can you talk about poverty alleviation? I told them that instead of being involved in health for all and education for all programmes, the WB should be involved in health and education

programmes for the poor. Because in the name of health and education for all the top people are being benefitted again. Make the programmes very specific by declaring that it is for the poor. And then you build it up and see if you are serving the clientele that you promised. I was trying to persuade them to create a micro-lending fund along the way and also to create a team of experts

which will be involved in innovative programmes to address the poverty situation. And poverty is not a Third World issue alone, it's a worldwide issue and there are 1.4 billion people around the world who are utterly poor. And that number is increasing and there is no reason why it should increase. So, I told the WB that if they go for poverty reduction then we could go for the complete elimin-

nation of poverty. You set a date by when you want to eradicate poverty completely from the world and then we will say that you are serious. Otherwise, we don't take you seriously, we don't see anything tangible except that it sounds nice. But the real work is not done.

DS: How do you think the World Bank look all of this criticisms and suggestions?

MY: They got very friendly.

They really wanted to understand the situation. This is the first time they talked to us.

DS: But, did they understand, were they serious?

MY: No. At the top they were serious but we had difficulty with the experts and advisors. They said that this doesn't lead to any kind of economic development, the real panacea is to have a developer coming. I said 'the US has all the development that you want, but that didn't eliminate poverty. We are talking about the elimination of poverty and your own documents show that there are growth which are pro-poor and those that are anti-poor. So, all we are saying is that once you know and have listed them as such, you should make sure that you don't step on the pro-poor growth. See, you have already agreed that growth alone is not enough because trickle down theory didn't work. So, growth alone cannot address the issue of poverty. You need to generate steam at the bottom for a pro-poor growth and at the same time you have to make sure that the bottom is being lifted up.

The WB also asked me what can be done to achieve something substantive. I said 'well as the WB goes it can have a big conference on anything, get a big press coverage and that's it. I don't want to be part of that kind of conference. But if you are serious about the issue then I should be part of it because this is our mission and this is what we want. Because we come from a country which has the severest poverty in the world, the worst kind of poverty in a tiny piece of land'. The Bank Vice-President said 'we want to be that way but we need your help, so make us go in that direction'.

MOHAMMED Yunus is an academic, turned banker in Bangladesh who has turned the most sacred rules of the profession upside down and made himself a frequently mentioned Nobel Prize candidate in the process.

Today the Grameen Bank has a record that many a traditional bank would envy. It has more than a thousand branches and 1.6 million borrowers in 34,000 villages in Bangladesh. It lends \$30 million per month and enjoys a loan recovery rate of 97 per cent. It charges 20 per cent interest with a one-year repayment requirement, yet the bad debt on its books is less than one-half of one per cent. What is its secret?

Yunus saw the banking system as anti-poor, anti-illiterate and anti-women. He set out to reverse all three.

He changed normal practice from 'the more you have the more you can borrow', to the 'the less you have, the higher your priority'. His bank would lend only to the poorest of the rural poor, and half of them must be women. Anyone who asks for a loan, he told his staff, is 'a fake poor person. The person you are looking for will

Little World Banks

by Jessica Mathews

never come to you. When you find her she will say, 'Oh, I don't need money.' When you hear that, you've found your person. The loan officer's job is not to be convinced of the borrower's creditworthiness but to convince the borrower that she can use money to improve her life.

Banking with Grameen is no picnic. To build commitment and provide community support, the prospective client must find five friends to borrow with. Initial loans are \$10 to \$20. Average loans are \$100. The interest rate is high, the repayment time short, and there is a mandatory savings requirement. Yet 48 per cent of those who have borrowed from the bank for 10 years have crossed the poverty line. Another 27 per cent have come closer. The remainder have not been helped, usually because chronic ill health erodes any progress.

Experience showed that the payoff from loans to men often did not find its way back to

their wives and children. The benefit to whole families was much more reliable when the borrower was a woman. In spite of enormous tensions in borrowers' marriages in a culture where women have few economic rights, today nearly all borrowers are women.

Scattered around the world are thousands, perhaps tens of thousands, of small success stories like Yunus's programme was 10 years ago. The particular significance of the Grameen Bank is that it is one of a handful that has been able to grow. It uses a franchise-like system.

Now Yunus wants to see his programme spread around the world. There are no special conditions in Bangladesh, he thinks, that make the idea applicable there and not elsewhere. If anything, Bangladesh should be the acid test. Income is very low. Fertility, malnutrition, illiteracy and gender inequality are high. The communications, infrastructure is poor to nonexistent. Yunus's dream is Grameen Trust of \$100 mil-

lion to capitalize replicas in dozens of other countries: a little World Bank for people. Within the past few weeks, the US Agency for International Development and the World Bank have each pledged \$2 million — a small but hopeful beginning.

Many of those who work to ameliorate poverty in developing countries or in our central cities believe that the people they are trying to help have a better idea of what they need than do experts in far away capitals. The perennial stumbling block has been how to tap into this intimate knowledge of local needs on a large enough scale to make a difference. The Grameen Bank is one of few proofs that it can be done.

In Yunus's view, bankers' notions of 'bankability' and 'creditworthiness' unwittingly create a caste system that locks poor people into poverty. If he is correct, and if his bank can be replicated, he may have found a spark to revolutionary change.

The writer is a senior fellow at the Council of Foreign Relations. This article was published in The Washington Post of 19 December 1993, from which it is extracted.