

The 'Y' movement

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Nobel laureate Muhammad Yunus is known for his unique and visionary thinking. When he started Grameen Bank back in 1983, there was hardly anyone who was upbeat about the concept.

In fact, conformists were cynical. Contrary to the conventional banking system, Grameen devoted to providing the poorest of Bangladesh with minuscule loans, based on the philosophy that credit is a basic human right and not the privilege of a few.

Today, this specialised bank provides over 2.5 billion dollars of microloans to more than two million families in rural Bangladesh. The unique feature of this great institute is more than 90 percent of the clients are women. The recovery rate, which is nearly 100 percent, has been a topic of research to many analysts. This concept, crossing the boundaries of Bangladesh, has become global now. In the US alone, there have been more than three hundred programmes established already.

The dream of the professor was to eradicate poverty from the world. When he says "putting the homelessness and destitution in a museum, so that one day our children will visit and ask how we could have allowed such a terrible thing to go on for so long", it brings hope to the millions of human beings suffering from poverty. He has been trying to change the whole concept of the root causes of poverty. He identified that the difference between the rich and the poor was not wealth, but opportunity. He believes in the creativity of humans. Some people remain poor since they do not have the opportunity to turn creativity into sustainable income.

With his inspirational speeches and work, he has been able to shift the paradigm of the influential corners of the world on poverty. For many years, social scientists and reformists have been striving relentlessly to find the sources of poverty

and methods to fight it. Despite many experiments, billions still live below the poverty line. Professor Yunus came up with his new concept, social business, to fight poverty.

What is this all about? In a free market economic system, the private sectors sell goods or services and their primary objective is to make money. There are certain areas that are not truly for profit making and those fail to attract the private sector. Here comes government intervention. In some cases, charities do come forward to help the destitute sections of society. Experience suggests that both the government and charity work lack efficiencies and the innovativeness of the private sector. Social business is a concept that tries to combine the "good will" of the government with the "efficiency and innovativeness" of the private sector. The objective of such businesses is to address various social needs with a desire to improve the quality of life.

Social business could be termed as 'cause-driven' business. The objective of such business is solely to achieve one or more social objective, like health care, housing to the poor, renewable energy introductions.

Here, investors will get their investment back but will not be entitled to any dividend. Personal gains for the investors are not at all allowed. The success of social business will be measured by the impact it has on people or the environment, not by the profit it makes. It does not mean that social businesses are not allowed to make money rather they are allowed. The only thing is that profits are not distributed as dividend to shareholders. It remains with the company. According to Professor Yunus, seven main principals of social business are:

1. The business objective will be to overcome poverty, or one or more problems (such as education, health, technology access, and environment), which threaten people and society; not profit maximisation.
2. Financial and economic



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sustainability.

3. Investors get back their investment amount only. No dividend is given beyond investment money.

4. When the investment amount is paid back, company profit stays with the company for expansion and improvement.

5. Environmentally conscious.

6. Workforce gets market wage with better working conditions.

7. Do it with joy.

One might think that what will be the fate of the existing businesses? They will coexist with the social business. The social structure is not going to be changed -- it is the same capitalist structure, where both businesses will operate. Followers of this new concept believe that "social business is capitalism at its best: creating, innovating and expanding."

In recent times, we have seen that some renowned names in

the corporate world have come forward to join hands with Professor Yunus.

A few such initiatives are:

Grameen Danone Foods Ltd: It's a 50-50 joint venture between Grameen and Danone. The objective of this company is to address the severe malnutrition issue of children in Bangladesh. Their product is a special type of yoghurt made with cow's milk, date molasses and sugar. It contains calcium and protein essential for healthy growth of a child's bones. This yoghurt is enriched with micronutrients. A single 60g cup provides 30 percent of a child's daily requirements of vitamin A, iron, zinc and iodine.

Grameen Veolia Water Ltd: This joint venture was established to make clean and safe water, accessible to villagers who were severely deprived of it. Their initial target areas are central and southern parts of Bangladesh. This company will

build some water production and treatment plants to serve around 100,000 people.

Grameen BASF: Grameen and BASF joined hands in 2009 to fight Malaria. They produce a special type of a mosquito net. This company is also producing micronutrient sachets to sprinkle on food. This will ensure nutrients that are missing in the diets of poor people.

Grameen Intel: A joint venture between Grameen Trust and Intel Corporation, this company was established to develop IT solutions so that low income people begin to reap the benefits of information technology. They will find the ways and means so that healthcare, commerce, education and economic activity can be improved in rural Bangladesh with the help of ICT.

There are a few other such initiatives being undertaken by Grameen. No wonder this is a unique concept. To popularise this exceptional concept of doing business, a group of peo-

ple under the leadership of Hans Reitz formed a platform, The Grameen Creative Lab, in Germany in 2009. Through different activities, like organising public events, publishing books and talking to people -- they are trying to create awareness, understating about the social business concept. So far they have organised two international conferences that were attended by renowned global business leaders. They believe, "Every new idea has a tipping point."

This is the point when an idea gets momentum, becomes irresistible. To reach that point, people from all walks of life have to be involved actively and whole-heartedly. This is a movement -- a movement against poverty. The followers of social business rightfully call it the "Y" movement, as it is Professor Yunus who has proved this concept does work in real life.

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Welcome to a zero-sum world

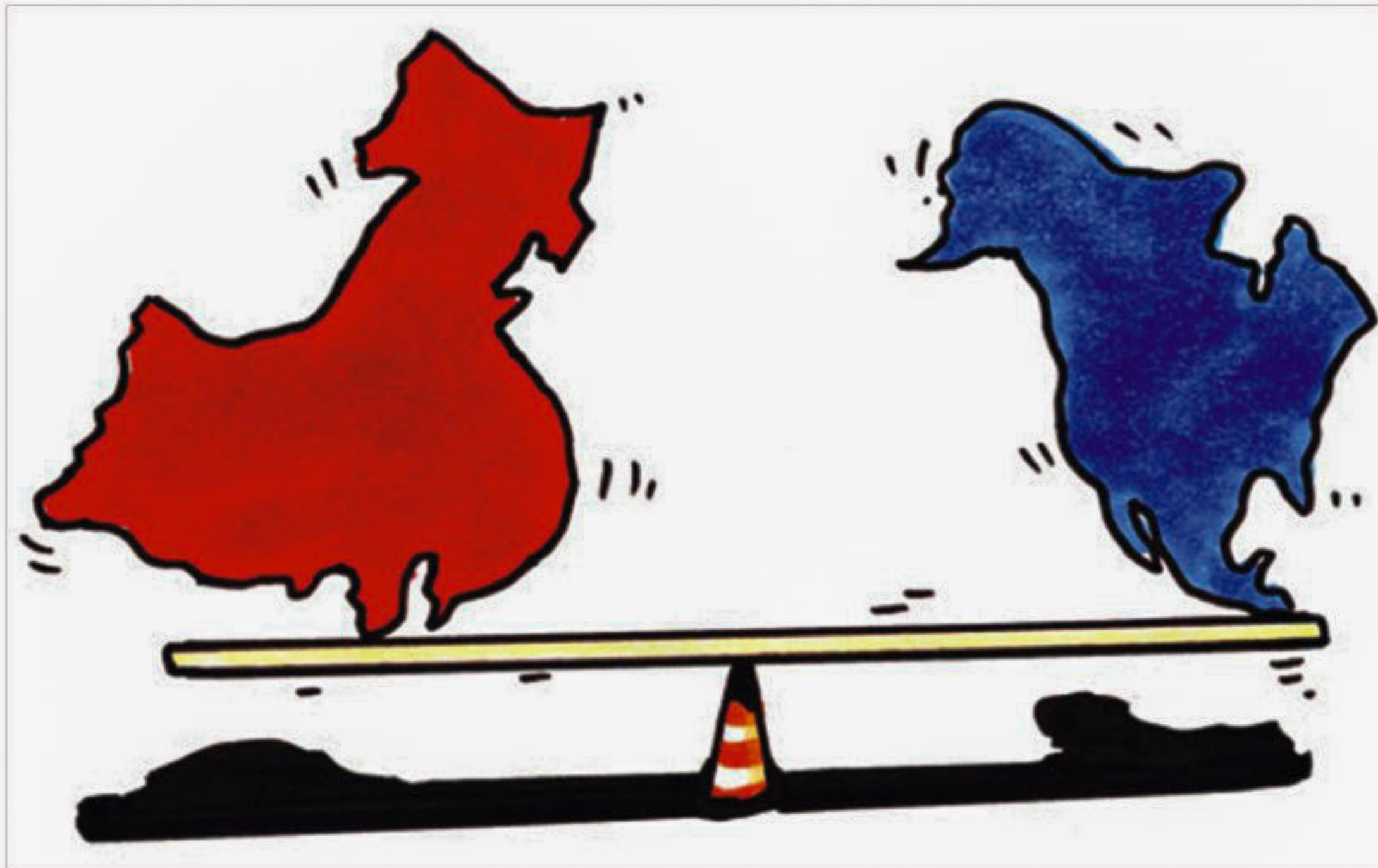
The mood will be tense; get used to it

GIDEON RACHMAN, for The Economist

Over the past two years, the world's biggest economies have grappled with the threat of a new Great Depression. During the course of 2011, it will become clear that the global economic crisis has also soured international politics.

The political malaise is linked to the economic crisis. Twenty years of good times and global economic integration, after the end of the cold war, had profound political effects. They created a "win-win world" which ensured that all the major powers had reason to be satisfied. The United States was enjoying its "unipolar moment"; the European Union was expanding and prospering; China and India felt themselves getting richer and more powerful.

But the global economic crisis has changed the logic of international relations. Both as individuals and as a nation, Americans have begun to question whether the "new world order" that emerged after the cold war still favours the United States. The rise of China is increasingly associated with job losses for ordinary Americans and a challenge to American power. The European Union is also in a defensive mood -- with



protectionist and anti-immigration sentiment on the rise and tensions between the nations that have adopted the European single currency.

The result of this change in mood is that, after a long period of co-operation, competition and rivalry are returning to the international system. A win-win world is giving way to a zero-sum world.

During 2011, zero-sum logic will bedevil international relations. The three most important symptoms will be worsening relations between the United States and China, arguments

within the EU and an acrimonious failure to make progress on any of the big items on the international diplomatic agenda -- in particular climate change and nuclear proliferation.

Even mainstream American economists are now pointing the finger at Chinese currency policy, aimed at keeping the yuan undervalued against the dollar, as a source of persistently high unemployment in America. China is likely to make small gestures on the currency issue in 2011, but these will not be enough to buy off the American critics. As a result, the chances

of protectionist legislation passing through Congress will rise sharply. Barack Obama, facing a tough re-election campaign in 2012, may well sign it. That, in turn, will help to poison the wider strategic relationship between China and America.

The main symptom of this will be an increasingly overt rivalry in the Pacific. The Chinese military build-up is continuing apace. America's strategists will push back in 2011. They will step up military exercises with regional allies, such as Japan, India and South Korea. America and China will also rub

up against each other in international forums such as the United Nations, the global negotiations on climate change and the various G20 summits.

The G20, in particular, will adopt an ambitious agenda under the hyperactive chairmanship of Nicolas Sarkozy, the president of France. Mr Sarkozy is a believer in global governance, relishes the spotlight and is eager to garner some favourable headlines, ahead of a difficult re-election campaign in 2012. But he is likely to be more effective at stage-managing flashy summits than producing solid achievements.

That is because zero-sum logic -- with tensions between America and China at the heart of the problem -- will block progress on the biggest international issues. The two nations cannot even agree on whether there are "global economic imbalances" to do with trade and currencies -- let alone what to do about them. China meanwhile remains very reluctant to tighten the international squeeze on Iran over that country's nuclear programme, preferring to protect Chinese economic and energy interests. The stand-off between developed and developing nations which has thwarted progress towards a new international agreement

on climate change will also persist in 2011, with China leading the developing world's lobby.

International tensions will also rise between rich nations, particularly within the European Union, which has hitherto presented itself as the very exemplar of enlightened international co-operation. Once again, a weak economy will provide the backdrop and Mr Sarkozy will take centre-stage. As he attempts to revive his political fortunes at home, Mr Sarkozy is likely to take increasingly populist positions on crime and immigration -- and he may also license his ministers to air his differences with Germany over austerity, budget deficits and management of the European Central Bank. This will mean that EU summits in Brussels become tense and acrimonious affairs throughout the year.

All in all, 2011 will be a year when world leaders get used to a new international political environment. The era of good feelings associated with the heyday of globalisation has gone for ever. Something grimmer, less productive and less predictable has taken its place.

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