

Yunus spurs Europe on social business

Global Social Business Summit in Vienna comes to a close

ARUN DEVNATH, from Vienna

THE Global Social Business Summit came to a close Friday night, amid calls for European leaders to get out of their box and create a union that is not devoted to Europe alone and that can solve the world's problems.

"A temporary solution is no solution. We need a fundamental solution," Nobel laureate Muhammad Yunus said in his speech to the cheering audience at Austria Centre in Vienna.

His call comes as European governments are busy trying to prop up their foundering economic systems that left millions of people, especially the youth, out of jobs.

"When you have created the European Union, you have continued to create a box of your own. You follow the same rules, the same logic and the same structure," Yunus said, urging the European leaders to break open the 'box'.

"We [people] are capable of designing a new one, devoted to a long-term solution. This is our immediate need."

"We are not in the twentieth century anymore; we are way beyond that. We must bring a new conceptual framework to solve the problems," Yunus said.

"This is the time to use new technology. This is a new generation of young people, but we are still trying to solve the problems with our old theories."

"Do we have a vision? We need a vision. Where do we want to see ourselves in 20 years from now?"

Prof Yunus was on stage with Thomas Stelzer, UN assistant secretary-general, and Heinz Becker, member of the European Parliament, discussing how to leverage the Nobel-winning European Union to drive social business.

The European Commission has introduced rules to map social enterprises that



From left, Professor Muhammad Yunus; Thomas Stelzer, UN assistant secretary-general; Saskia Bruysten, co-founder and CEO of Yunus Social Business of Germany; Heinz Becker, member of European Parliament; and Alan Webber, the moderator of the summit, take part in a discussion on social business at Austria Centre in Vienna on Friday night.

started taking hold in Europe. Social economy accounts for 10 percent of the total European economy and employs more than 11 million workers, which is 6 percent of total employment, according to data from the European Commission.

"Europe will get into a new phase by way of social business. And it will make a change in the European paradigm," Becker said.

Becker's comment mirrors Europe's thrust to be in the lead in social business, which can

be a powerful agenda for change to deliver better outcomes for the common good.

Social business is based on a determination, in European Commission President Jose Manuel Barroso's words, that it is possible to do things more responsibly and more fairly, while still being a success on the market.

Social business can become a real engine of growth. "Europe must not only be part of these changes. Europe should be in the

lead," Barroso said in a report on the new rules on social business in Europe.

The rules have been designed to develop a regulatory framework for social entrepreneurship funds and foster the development of microcredit. And social businesses will have access to a fund of 92.28 million euros to be operational from the next year.

"The concept of social business is an invaluable contribution by Prof Yunus for creating a more just, equitable and sustain-

able world," Stelzer said.

"Emphasising social issues and community concerns in business strategies will help overcome the imbalances and distortions which have led to global economic and social issues," he said.

Social business can decisively help fast-track the implementation of millennium development goals in little more than three years remaining until the 2015 deadline, according to the UN official.

As hundreds of individuals from different backgrounds gathered under one roof in Vienna, the heart of Europe, they built a network and shared insights with each other, coming from more than 50 nations. The Global Social Business Summit has turned into a leading platform for social business thinkers and promoters worldwide.

It was a summit that let participants rethink the way humans want to live on one planet burdened with a seven billion population now growing to nine billion.

Hans Reitz, head of Global Social Business Summit organised by Grameen Creative Lab of Germany, summed up the event's overarching theme -- people represent different nations, cultures and backgrounds and tell different stories, but should have one major goal -- to shape a better world.

"We have to think differently to make a change in society," he said. "Let us use our creativity to create a joyful movement for social business."

Inspired by Yunus to galvanise the young people, Monique Coleman, US actress and UN youth ambassador, said: "My global wish is for balance to be restored, which would include the empowerment of women everywhere, eradication of extreme poverty and an end to armed conflicts."

"My deep desire is to contribute to these issues with the fullest of who I am and can become."

Bangladesh open to foreign investment in agriculture: Matia

PALLAB BHATTACHARYA, New Delhi

BANGLADESH is open to the idea of foreign investment in agriculture, said Agriculture Minister Matia Chowdhury yesterday.

"We are open to the idea and the private sector has to take the initiative for this. The government can only play the role of a catalyst," said Matia on conclusion of her five-day visit to India.

Matia said Bangladesh has attained self-sufficiency in horticultural products, especially in potato and onions, in the last three years under the Sheikh Hasina-led government, and has surplus which can be exported.

When asked if Bangladesh could consider exporting the surplus to the neighbouring West Bengal state of India, she said the private sectors on both sides of the border will have to take initiatives and explore the possibility.

Matia said, in the seven years before the current government assumed power Bangladesh did not have self-sufficiency in food, but the present government has achieved self-sufficiency and "is determined to sustain it".

"Farmers of the country have confidence in our government. They know they will not be deprived and that this government is agriculture-friendly," she said.

Matia said Bangladesh was providing a subsidy of Tk 1,500 crore to farmers annually by way of fertilisers and electricity. "This is why the farmers did not mind the hike in the price of urea," she added.

The minister said the main purpose of her visit to India was to increase co-operation between the two countries in the agriculture sector, particularly to tackle the impacts of climate change and fight the adverse effects of salinity on food crops.

Matia visited the eastern Indian state of Orissa to see how it is faring in its attempts to protect crops against saline water.

In response to a question, Matia said there were "hurdles" for India in signing the Teesta river water-sharing treaty, which was conveyed to her during a meeting with the Indian Water Resources Minister, Harish Rawat.

"But they will be overcome," she added, while adding that there was no timeline given for the signing of the accord. When an Indian journalist asked if Bangladesh was feeling frustrated with India for unfulfilled promises, Matia said: "We don't like to be impatient with a trusted and tested friend, who has helped in such a big way in our historic liberation war."

During her stay at the Indian capital, Matia also had meetings with the Indian President Pranab Mukherjee, Indian Foreign Secretary Ranjan Mathai and National Security Adviser Shivshankar Menon.

She left for Dhaka by a Jet Airways flight later on in the afternoon.



Matia Chowdhury

Developing economies to eclipse west by 2060: OECD

STAR BUSINESS REPORT

CHINA, India and the rest of the developing world will eclipse the west in a dramatic shift in the balance of economic power over the next five decades, according to a report of the Organisation for Economic Cooperation and Development (OECD).

The United States is likely to cede its place as the world's largest economy to China as early as 2016 and to India by 2060, said the Paris-based think-tank in its "Looking to 2060: Long-Term Global Growth Prospects" report issued on Friday.

The report, which uses a new economic model, forecasts China will overtake the crisis-hit eurozone this year and the US within the next four years to become the largest economy in the world.

Combined, China and India will soon surpass the

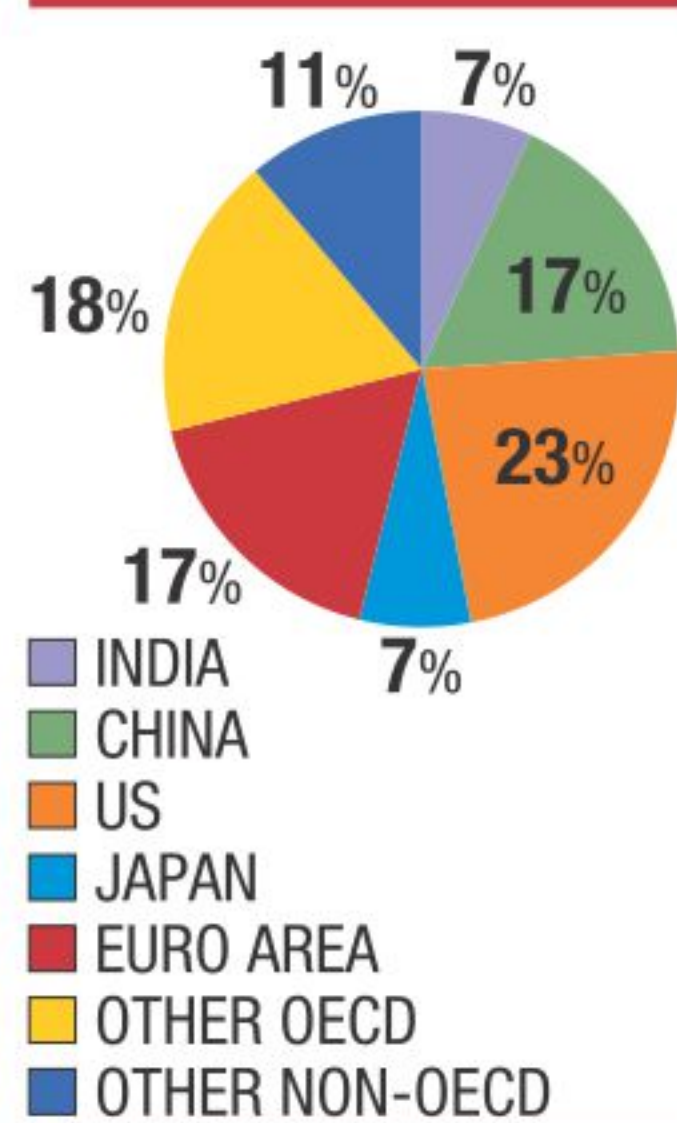
collective economy of the G7 nations. Fast-ageing economic heavyweights, such as Japan and the euro area, will gradually lose ground on the global GDP (gross domestic product) table to countries with a younger population, like Indonesia and Brazil.

The report clearly indicates that the balance of economic power will shift over the next half century.

After recovery from the current crisis, global GDP could grow around 3 percent a year on average in the next half a century. Growth in the 34-nation OECD area is projected at about 2 percent annually to 2060, with declining rates in many high-income countries.

On the basis of 2005 purchasing power parities (PPPs), the US is the largest economy at present, accounting for around 23 percent of global output, but it will be exceeded by China, perhaps as soon as

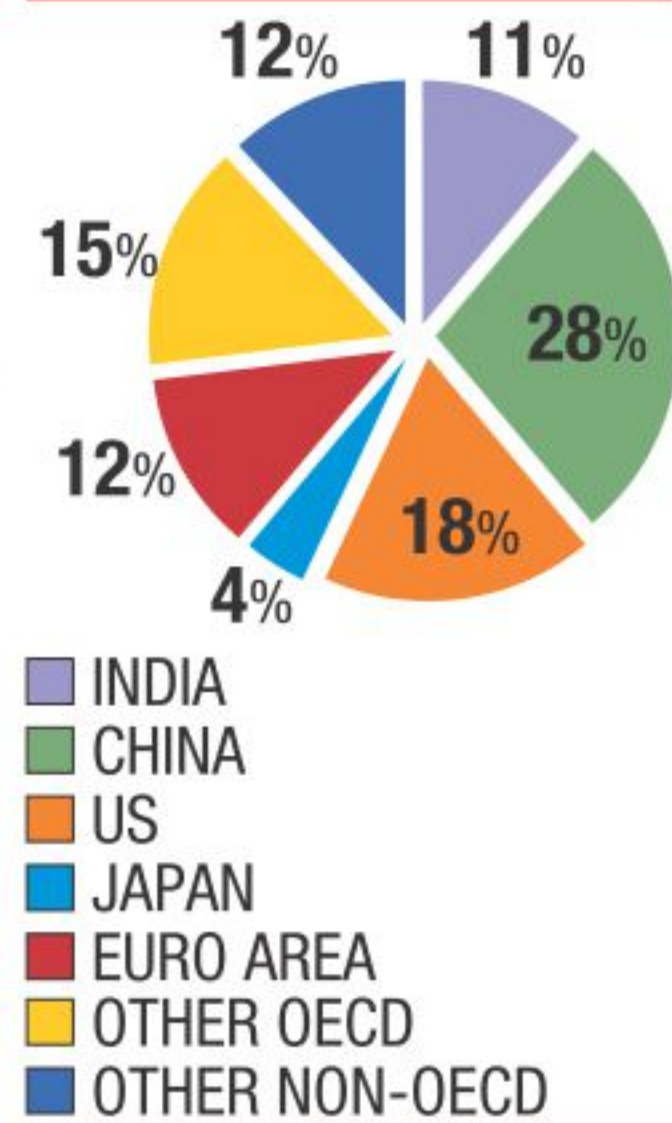
COMPOSITION OF WORLD GDP IN 2011



2016. The combined GDP of China and India will soon surpass that of the G-7 economies, and will exceed that of the entire current OECD membership by 2060.

India is projected to surpass

COMPOSITION OF WORLD GDP IN 2030



Japan in the next year or two and the Euro area in about 20 years, says the report.

China and India will experience more than a seven-fold increase in their income per capita by 2060. The

extent of the catch-up is more pronounced in China reflecting the momentum of particularly strong productivity growth and rising capital intensity over the last decade. This will bring China 25 percent above the current (2011) income level of the United States, while income per capita in India will reach only around half the current US level.

Additionally, in a few European OECD countries and some emerging economies differences in labour input will also continue to explain a sizeable share of the remaining income gaps. Indeed, for some European countries, where ageing is more pronounced and/or older-age participation rates are low, these factors are enough to cause a widening in the income gap with the United States, despite continued convergence in productivity and skills levels.

Obama urges immediate tax cut extension for middle class

AFP, Washington

US President Barack Obama urged Congress Saturday to immediately extend a tax cut for middle-class Americans, arguing the move will give 98 percent of families and 97 percent of small businesses the certainty that will lead to faster economic growth.

"This is something we all agree on," the president said in his weekly radio and Internet address. "Even as we negotiate a broader deficit reduction package, Congress should extend middle-class tax cuts right now."

"It's a step that would give millions of families and 97 percent of small

businesses the peace of mind that will lead to new jobs and faster growth."

On Friday, Obama invited top Republican and Democratic leaders to the White House next week for talks focused on averting the so-called "fiscal cliff."

Such a cliff would represent a catastrophic blend of automatic tax hikes and harsh defense and domestic spending cuts that are due to kick into force on January 1, if no other decision is made and approved by Congress.

The showdown will be a crucial test of whether the newly re-elected Obama can bend gridlocked Washington to his political will, with implications for his capacity to enact an ambi-

tious second term agenda.

Obama campaigned on raising taxes on families earning \$250,000 a year or more to pay for deficit reductions and to fund education spending and other plans to boost the economy and improve life for the nation's middle class.

But congressional Republicans have opposed tax increases of any kind.

In his address, the president he was not willing to compromise on this issue. "This was a central question in the election," he said.

"And on Tuesday, we found out that the majority of Americans agree with my approach -- that includes Democrats, Independents, and Republicans. Now we need a majority in Congress to listen."

The White House said that the president would veto any bill that called for an extension of the George W. Bush era tax cuts for the two percent of Americans earning more than \$250,000 a year.

But Republican House Speaker John Boehner warned in his address the tax increase would destroy more than 700,000 American jobs.

"Instead of raising tax rates on the American people and accepting the damage it will do to our economy, let's start to actually solve the problem," Boehner said.

"Let's focus on tax reform that closes special interest loopholes and lowers tax rates."