

Halving Poverty by 2015: We Can Actually Make It Happen

(Text of the 2003 Commonwealth Lecture - 12 March 2003)

Professor Muhammad Yunus, founder and managing director of the [Grameen Bank](#), delivered at the sixth annual Commonwealth Lecture on 11 March 2003. The theme of his Lecture was 'halving poverty by 2015: we can actually make it happen'. The text of the Lecture is reproduced below.

I am very honoured to have been invited to give the Commonwealth Lecture 2003. This is a great privilege for me. I would like to take advantage of this occasion to share my experiences, excitements, frustrations, and, of course, my thoughts with you. (If it makes sense to you, I hope you'll use your capacity to do something about it. If it doesn't make any sense, I don't have to tell you what you should do. You are all experts on it.)

I have chosen to speak on the most daring of all Millennium Development Goals - halving poverty by 2015. I have chosen it for two reasons. First, this is the most courageous goal mankind ever set for itself. For the last two decades I have been talking about creating a world free from poverty. I talk about it not because it is unjust to have a world with poverty, which is, of course, true. I talk about it simply because I am totally convinced from my experience of working with poor people that they can get themselves out of poverty if we give them the same or similar opportunities as we give to others. The poor themselves can create a poverty-free world - all we have to do is to free them from the chains that we have put around them.

I have chosen this subject secondly because a feeling is getting stronger in me everyday that very few people are really serious about reaching the goal of halving poverty by 2015. Leaders who made this bold announcement went back to their other important commitments feeling happy that they have captured the world's imagination. They are expecting that as the decision has been taken at the highest level, actions will follow, and a well co-ordinated powerful machinery will get activated to get the job done. Unfortunately, so far it has not happened. Only the donor agency officials, supported by the thriving consultancy business, are carrying the ball. What is emerging reminds us of the decade of the Nineties when the global goals were put in the form of 'education for all by the year 2000', 'health for all by the year 2000', 'everything else for all by the 2000'. My worry is that these courageous Millennium Goals may degenerate into a cut and paste job of the earlier edition, merely replacing the 'year 2000' with the 'year 2015', with appropriate changes in the text.

Please forgive me if I sound too pessimistic. I assure you that I remain a compulsive optimist despite all the bad signs that I see. I keep hoping that these signs will change.

I am an optimist because I am convinced that poverty is not as difficult a subject as the experts keep warning us about. It is not a difficult subject because it is not about space science, or about an intricate design of a complicated machine. This is about people. I don't see the possibility of a human being becoming a 'problem' when it comes to his or her own well-being. All the ingredients for ending poverty of a person always comes neatly packaged with the person himself. A human being is born in this world fully equipped not only to take care of himself (which all other life-forms can do too), but also to contribute in enlarging the well-being of the world as a whole (that's where the special role of a human being lies). Then why should one billion plus people on the planet suffer through a life-time of misery and indignity and spend every moment of their lives looking for food for physical survival alone? We must find some explanations. This will help us achieve the 2015 goal.

Poverty is not created by the poor people

Here is my explanation. Poverty is not created by the poor people. So we shouldn't give them an accusing look. They are the victims. Poverty has been created by the economic and social system that we have designed for the world. It is the institutions that we have built, and feel so proud of, which created poverty. It is the concepts we developed to understand the reality around us, which contributed to the creation of poverty, made us see things wrongly, and took us down a wrong path, causing misery for people. It is our policies borne out of our reasonings and theoretical framework, with which we explain interactions among institutions and people, that caused this problem for many human beings. It is the failure at the top, rather than lack of capability at the bottom which is the root cause of poverty.

The essence of my arguments here today is that in order to reduce, and ultimately eliminate, poverty we must go back to the drawing board. Concepts, institutions, and analytical frame conditions which created poverty cannot end poverty. If we can intelligently re-work the frame conditions, poverty will be gone, never to come back again.

In this presentation I will draw your attention to five issues which need to be urgently revisited:

- (a) widening the concept of employment;
- (b) ensuring financial services even to the poorest person;
- (c) recognising every single human being as a potential entrepreneur;
- (d) recognising social entrepreneurs as potential agents for creating a world with peace, harmony, and progress;
- (e) recognising the role of globalisation and information technology in reducing poverty.

Let me narrate how I came to face these issues in the real world and how they impacted on me.

I became involved in the poverty issue not as a policymaker or a researcher. I became involved because poverty was all around me. I could not turn my eyes away from it. In 1974, I found it difficult to teach elegant theories of economics in the classroom in the backdrop of a terrible famine in Bangladesh. Suddenly I felt the emptiness of those theories in the face of crushing hunger and poverty. I wanted to do something immediate to help people around me. Not knowing what I could do, I decided to find a way to make myself useful to others on a one-on-one basis. I wanted to find something specific that I could do to help another human being just to get by another day with a little more ease than the previous day. That brought me to the issue of poor people's struggle and helplessness in finding microscopic amounts of money to support their efforts to eke out a living. I was shocked to discover a woman borrowing US \$0.25 with the condition that the lender would have the exclusive right to buy all she produced at the price the lender decided! What a way to recruit slave labour. I decided to make a list of the victims of this money-lending 'business' in the village next door to our campus. When my list was done it had the names of 42 victims. The total amount they borrowed was US \$27! What a lesson for an economics professor who was teaching his students the Five Year Development Plan of the country with billions of dollars in investments to help the poor. I could not think of anything better than offering this US \$27 from my own pocket to get the victims out of the clutches of the moneylenders. The excitement that was created by this action got me further involved in it. The question that arose in my mind was, if you can make so many people so happy with such a tiny amount of money, why shouldn't you do more of it?

I have been trying to do just that ever since. The first thing I did was to try to connect the poor people with the bank located in the campus. It did not work. The bank said that the poor were not creditworthy. After all my efforts over several months failed, I offered to become a guarantor for the loans to the poor. I was stunned by the result. The poor paid back their loans every single time! But I kept confronting difficulties in expanding the programme through the existing banks. Several years later I decided to create a separate bank for the poor, to give loans without collateral. Finally in 1983 I succeeded in doing that. I named it Grameen Bank, or village bank. It now works all over Bangladesh, giving loans to 2.5 million

poor people, 95 per cent women. The bank is owned by the borrowers. In a cumulative way the bank has given a total loans of about US \$3.75 billion. Generally the repayment rate has been over 98 per cent. It makes profit. Financially, it is self-reliant. It has stopped taking donor money since 1995, and stopped taking loans from the domestic market since 1998. It has enough deposits to carry out its lending programme. It gives income generating loans, housing loans, and student loans to the poor families. More than half a million houses have been built with loans from the Grameen Bank. Impact studies done on the Grameen Bank by independent researchers find that 5 per cent of borrowers come out of poverty every year, children are healthier, education and nutrition level is higher, housing conditions are better, child mortality has declined by 37 per cent, the status of women has been enhanced, and the ownership of assets by poor women, including housing, has improved dramatically.

Now, the obvious question that anybody will ask: if poor people can achieve all this through their own efforts within a market environment, why isn't the world doing more of this? Some progress has been made, but much more could have been achieved. One difficulty may have arisen from a confusion.

Grameen's banking methodology has become known as microcredit. But gradually the label of 'microcredit' got into general use for all types of small loans, including agricultural loans, co-operative loans, savings bank loans and rural credits, etc. This has created confusion in policymaking, institution-building, and in designing regulatory framework. If we now classify microcredit into different categories to sort this out, I think we can come out of this confusion. (I think we could have avoided the confusion, to some extent, if we had called it 'micro-capital'. That's what it really is. The Bangla term that I use for it translates as 'micro-capital'.)

Grameen type microcredit has spread around the world over the last two decades. Nearly 100 countries have Grameen type microcredit programmes. In 1997, a Microcredit Summit was held in Washington DC, which adopted a goal to reach the 100 million poorest families with microcredit and other financial services, preferably through the women in those families, by 2005. At that time number of families reached with microcredit was only 7.5 million globally, of which 5 million were in Bangladesh. Today, I am guessing, this outreach may have crossed 35 million. I am hoping it will cross the half way mark, i.e. 50 million, by the end of this year.

But the biggest problem for expanding the outreach is not the lack of capacity, but strangely, the lack of availability of donor money to help microcredit programmes get through the initial years until they reach the break-even level. Beyond that level, these programmes can expand their outreach with loans from the market or from the deposits. In most countries, microcredit NGOs are not allowed to take deposits by the regulatory bodies. If microcredit NGOs can open the doors for taking public deposits, expansion of their outreach could be very rapid, because this would free them from the dependence on donor money. It is a very strange phenomenon in many countries to see that conventional banks with a repayment rate of below 70 per cent are allowed to take huge amounts of public deposits year after year, but microcredit institutions with an unbroken record of over 98 per cent recovery are not allowed to take public deposits. It is often argued that since microcredit programmes do not come under any law, it is highly risky to allow them to take deposits. This always seems to me a funny argument. Why don't we create a law to bring the microcredit programmes under a legal cover, create a special regulatory commission to regulate them and allow them to take public deposits? This will help local deposits in the villages to work for local poor people, instead of being siphoned off to the big cities to finance big businesses. This is the frustrating part of our experience. One feels like throwing one's arm in the air and screaming in protest.

Self-employment is the quickest way

The most important step to ending poverty is to create employment and income opportunity for the poor. But orthodox economics recognises only wage-employment. It has no room for self-employment. Yet self-employment is the quickest and easiest way to create employment for the poor. I have been arguing that credit should be accepted as a human right, because it is so important for a person who is looking for an income. Credit can create self-employment instantaneously. Why wait for others to create a job for you? A person can create his / her own job. And this is so much more convenient for women who would prefer to work out of their homes. We are so much influenced by orthodox economics that we forget that our

forefathers did not wait for someone else to create jobs for them. They just went ahead in a routine manner to create their own jobs and own income. They were lucky. They did not have to learn economic theories and end up with a mindset that the only way they can make a living is to find a job in the job market. If you don't get a job, march on the street!

In the Third World countries, even if you march on the street there is no job for you. As a result the poor go out and create their own jobs. Since economics text-books do not recognise them, there is no supportive institution or policies to help them. That's why the money-lending business thrives. The money-lenders' business is as old as money itself. We read about the cruelty of money-lenders in our religious books. We condemn them as a part of our religious duty. We read the great classics about making payment with a 'pound of flesh' and get horrified by it, but we had done nothing significant about it in addressing that problem until Grameen credit came around.

While we keep hearing about the spread of microcredit around the world, about its 98 per cent repayment record, about poor people getting out of poverty with microcredit loans, about women's empowerment, all this has no impact whatsoever on conventional banking. These banks continue to practise the same old banking as they have been doing from the very start of their business - as if nothing new happened in the world! Probably they still shield themselves by arguing that the poor are not creditworthy.

It is a very strange world!

A big step towards eliminating poverty is to make sure that we offer financial services even to the poorest person, that no one is rejected by a bank on the ground that he/she is a poor person.

Each person is a potential entrepreneur

In some important ways our designing of the theoretical framework of economics or the misrepresentation of it is responsible for perpetuating poverty. Its conceptualisation of individual human being as 'labour' took the rest of the theory on a completely a wrong track. The role assigned to human beings in economic theory is certainly not something a self-respecting person can celebrate. Economic theory in its simplification visualises people as providers of labour. They are born to take orders from a small group of very special kind of people known as 'entrepreneurs'. These special people are the only people who can think, organise, and act. All other people simply fill in the work slots created by the thinking and driving people. The level of well-being of the working people depends on the level of their wages.

After creating a world overwhelmingly populated by uninteresting working people, economic theory gets busy with the interesting people - the entrepreneurs - because they are the movers and shakers of the economy. Taking their cue from the theory, powerful institutions are built, rebuilt, improved, and support systems are created, detailed legal systems developed, policies formulated, guidelines created, and research undertaken, all to ensure that the movers and shakers of the economy find it convenient to go in the direction they wish to go, and are able to utilise every last bit of their talents without any hindrance.

Try to imagine how the economists would have built their theory if they had started out with an axiom that all men and women are created equal, that each of them is endowed with unlimited creativity, and each of them is a potential entrepreneur. I am sure you'll agree with me, with this as a starting point, they would have built a very different economic theory, and we would have created a very different, and definitely much better, world as a result.

It will be an uphill task to end poverty in the world unless we create new economic thinking and get rid of the biases in our concepts, institutions, policies, and above all, our mindsets created by the existing orthodoxy. Unless we change our mindsets, we cannot change our world.

Missed a great opportunity

Economic theory took the second, and most damaging wrong turn when it came to explaining the driving force behind the competition among the entrepreneurs. It recognises the profit motive as the only motive

behind this. Maximisation of profit is the battle-cry. This explanation occupies such a central position in economic theory, and everything else has been built in such intricate detail around it, that nobody dares to raise any question about it. Accepting this as the ultimate truth about capitalism, people who are not interested in making money stayed away from business and the market in a capitalist world. For the same reason, people who enjoy making money headed straight for the market. So the market became an exclusive club of the fortune-seeker only. What a shame for missing a great opportunity!

Economic theory missed the most thrilling opportunity to change the fate of the world by completely ignoring the number and power of the people who are more interested in social gains than personal financial gains, and those passionately interested in making the world a better place to live in, rather than remain narrowly focused on their own personal benefits.

By restricting the driving force of the market to narrow self-interest, economics also missed the greatest opportunity to become a truly social science and escape from being a cut and dry dollar-and-cent science. Nobody doubts that an entrepreneur can set up a pharmaceutical company to make a big profit for himself or herself. But it can be equally plausible that a person may set up a pharmaceutical company to bring quality medicine at the lowest price possible so that even the poorest family can afford it. If economics could envisage two types of entrepreneurs, personal gain-driven and social objective-driven, it would not only be more realistic, but it would have helped the world solve many of the problems that profit-driven market doesn't solve today.

Behaviour pattern of a social entrepreneur

The behaviour pattern of a social-objective-driven entrepreneur, i.e. a social entrepreneur, is as follows :

1. He or she competes in the market place with all other competitors inspired by a set of social objectives. This is the basic reason for his being in the business.
2. He may earn personal profit as well. This personal profit may range from zero to a significantly large amount, even larger than his personal gain-driven competitor. But in his case, personal profit is a secondary consideration, rather than the prime consideration.

On the other hand a personal profit-driven entrepreneur may contribute in achieving some social objectives. But this will be a by-product of his business, or a secondary consideration in his business. This will not make him a social entrepreneur.

3. The higher the social impact per dollar invested the higher will be the market rating of the social entrepreneur. Here 'market' will consist of the potential investors who are looking for opportunities to invest their money in social objective-driven enterprises. Social investment dollars will move from low social impact enterprises to higher impact enterprises, from general impact enterprises to specific and visible impact enterprises, from traditional social enterprises to highly innovative and efficient enterprises.

Social-objective driven investors will need a separate (social) stock market, separate rating agencies, separate financial institutions, social mutual funds, and social venture capitals, etc. Almost everything that we have for profit-driven enterprises will be needed for social objective-driven enterprises, such as audit firms, due diligence and impact assessment methodologies, a regulatory framework, standardisation, etc., only in a different context, and with different methodologies.

Because of the way the orthodoxy of economics has given shape to the existing world all the investment money now is locked up in only one category of investment: investment for making personal profit. This has happened because people have not been offered any choice. There is only one type of competition: competition to amass more personal wealth. The moment we open the door for making a social impact through investments, investors will start putting their investment dollars through this door too. Initially some investors will divert a part, maybe a small part, of their investment money to social enterprises, but if social entrepreneurs show concrete impact, this flow will become larger and larger. Soon new type of investors will be appearing on the scene who will put all or almost all their investment money into the

social investments.

Some of the existing profit-driven entrepreneurs may start revealing another dimension of their entrepreneurial ability. They may successfully operate in both worlds, as conventional profit-seekers in one, and as dedicated social entrepreneurs in another.

If social enterprises can demonstrate high impact and creative enterprise designs, a day may come when personal profit-driven enterprises will find themselves hard-pressed to protect their market share. They'll be forced to imitate the language and style of social enterprises to stay in business.

I don't think I need to work hard to convince anybody that there are millions of investors right now who would gladly put their money into a social enterprise if they can be assured that their investment will at least retain its original value, while making a significant impact on the lives of the poor people, deprived people, or any group of disadvantaged people. I receive many letters from people around the world asking me if they can invest in the Grameen Bank. Obviously none of them are looking for an opportunity to make money by investing in the Grameen Bank. Why has our business world failed to offer opportunities to people who want to invest for the benefit of the people?

If socially motivated people can dedicate their lives in politics to bringing changes in their communities, nations, and to the world, I see no reason why some socially-motivated people will not dedicate their lives in building and operating social objective-driven enterprises. So far they have not done so because neither the opportunity nor the supportive framework exists. We must change this situation.

A completely new world can be created by making space for the social entrepreneurs and the social investors in the business world. This is a very important agenda for all of us. Eliminating poverty will become so much easier if social entrepreneurs can take up the challenge of ending poverty, and social investors can put their investment money into supporting the work of the social entrepreneurs.

Who is a social entrepreneur?

Let me define a social entrepreneur in a broad way and then divide them into two categories: market based, and non-market.

Anybody who is offering his/her time and energy to address any social or economic problem of a group or community is a social entrepreneur. The problem addressed may be a small local problem or a big global problem. The action of a social entrepreneur may need money, or may not need money. It may be a personal campaign for or against something. It may need co-operation and co-ordination with others.

It may need fund raising. It may be organised as a sustainable business, ensuring 100 per cent cost recovery. It can generate very attractive profit, although making profit is not the goal of the enterprise. In terms of cost recovery a social entrepreneur can work within a scale ranging from zero cost recovery to 100 per cent cost recovery, and even far beyond cost recovery. If a social entrepreneur distributes food to the hungry, he or she is operating at zero level of cost recovery. If he provides health services and charges a fee which covers a part of his cost, he is operating at a positive point on the cost recovery scale. Once he reaches 100 per cent cost recovery, he becomes a market compatible or sustainable social entrepreneur. This is the most critical point on the cost-recovery scale. If a social entrepreneur can stay on the right side of this point he can become a legitimate player in the market place. He can grow as much as he wishes and has the capacity to manage. He can draw on the resources of the market. The more the social entrepreneurs are in the category of market social entrepreneurs, the more powerful they become as a business community. They can start accessing the trillions of dollars of market capitalisation money, part of which will find the market social entrepreneur just the right kind of investment.

Social entrepreneurs operating on the left side of this critical point are dependent on subsidies and philanthropy money to carry out their noble mission. We may call them non-market social entrepreneurs. The size of their operation will always be limited by the size of the donor money they can access. Obviously, the total donor money in the world is only a small fraction of the total business money. In

addition, uncertainty about donor money always remains a big problem for the non-market social entrepreneurs. Donor priorities and procedures change frequently, and put them into serious difficulties.

From non-market to market social entrepreneurs

Given all the limits of non-market social entrepreneurs, it must be recognised that they have the longest tradition of social entrepreneurship, almost as old as human beings on this planet. Market social entrepreneurs have a lot to learn from them. Together both types of social entrepreneurs can form a very strong coalition to bring changes in the ways that people do things, that policy-makers make policies, and that institutions treat people. Some social entrepreneurs may operate on both sides of the scale, creating different types of socially-oriented programmes. Some non-market social entrepreneurs will continue to operate at the same point on the scale all the time, because of their philosophy, availability of funds, or for other considerations. Some non-market social entrepreneurs would find it advantageous to move gradually rightwards, to get a better grip on their finances and reduce outside dependence. Some will make deliberate efforts to cross the critical point and become self-sustaining. Transforming from a non-market social entrepreneur to a market social entrepreneur is almost like converting a bicycle into a race-car; one can go so much faster in reaching the goal.

But there may be some cost to this conversion. You may gain some, while you lose some. A social entrepreneur has to be very skilful and innovative in this conversion process to retain the maximum of their social agenda while gaining economic power to scale up and ensure large outreach.

Global efforts must be organised to help the interested non-market social entrepreneur to move to the right side of the critical point by giving him or her legal support, access to business money, marketing skills and technology, and connecting him with mentors among the successful market social entrepreneurs, and providing advisory services.

Social entrepreneurs are not characters in an economic fiction. They exist in the real world. But we refuse to recognise them because we have no place for them in our analytical framework. So they carry out their mission as some kind of misfits or freak characters. We should change that immediately and turn them into heroes of our economic endeavours.

The future of the world lies in the hands of the market-based social entrepreneurs. Leaving the business world exclusively in the hands of the personal profit-driven entrepreneurs and investors will create more and more social and political tension within and among countries than ever before. With the advance of technology the world is getting smaller, almost distanceless. Businesses are getting bigger and more powerful, while governments are shrinking in power and prestige. Through globalisation the whole world is turning into a game table of the extraordinarily rich people and extraordinarily rich countries.

We cannot cope with the problem of poverty within the orthodoxy of capitalism preached and practised today. With the failure of many Third World governments in running businesses, health, education, and welfare programmes efficiently, everyone is quick to recommend 'hand it over to the private sector'. I endorse this recommendation whole-heartedly. But I raise a question with it. Which private sector are we talking about? The Personal profit-based private sector has its own clear agenda. It comes into serious conflict with the pro-poor, pro-women, pro-environment agenda. Economic theory has not provided us with any alternative to this familiar private sector. I argue that we can create a powerful alternative - a social consciousness-driven private sector, created by social entrepreneurs.

Globalisation and the role of social entrepreneurs

The role of social entrepreneurs becomes very important in the context of the race for globalisation. Globalisation should not turn into an open house for bulls to enter the china-shop. I am an ardent supporter of the process of globalisation. I think globalisation can bring more benefits to the poor than its alternative. But it would be naive to think that there is only one architecture of globalisation. We can easily divide all the options of globalisation into two broad classes: right globalisation and wrong globalisation, in the context of a set of objectives. If one of our prime objectives is to bring the quick reduction of poverty

we must choose the architecture which ensures it. Unless we go through this exercise and make serious efforts to build it, the most likely architecture that will emerge is the anti-poor, anti-poor economy globalisation. This dreadful outcome must be checked forthwith. That's what anti-globalisation demonstrations are trying to tell us. The least the world should do is to set up a global regulatory body to stop globalisation from going in the 'wrong' direction and encourage and facilitate it to go in the 'right' direction. Globalisation needs traffic rules and traffic police. Without that, the highways of globalisation will be littered with ugly sights.

We should initiate a global debate and generally agree on the features of a 'right' architecture of globalisation rather than drift into terribly wrong globalisation in the absence of a framework for action. There may be many features of this architecture, but I would like to emphasise some. They are:

a) The creation of a level playing field for the rich countries and the poor countries, and for big powerful enterprises and small weak enterprises.

The rule of 'strongest takes it all' must be replaced by a rule that ensures everybody a place and a piece of the action without being elbowed out by the stronger players. 'Free trade' must mean freedom for the weakest. The poor must be made active players in the process of globalisation rather than become passive victims.

Globalisation must promote harmony and partnership between the big and the small economies, rather than become a vehicle for unhindered take-over by the rich economies.

b) Globalisation must ensure the easiest movement of people across borders.

c) Each nation must make serious and continuous efforts to bring information technology to the poor people to enable them to take maximum advantage of globalisation. This is particularly important for poor countries.

d) Social entrepreneurs must be supported and encouraged to get involved in the process of globalisation to make it friendly to the poor. Special privileges should be offered to them to let them scale up and multiply.

Social entrepreneurs, information technology (IT) and microcredit can play a key role in taking globalisation in the right direction, and help the halving poverty by 2015.

Globalisation, the knowledge economy, Grameen scholarships and student loans

Poor people are like bonsai trees. They could have grown as giant trees if they were supported by the right environment for growth. It is the size of the pots in which they were made to grow that turned them into sad replicas of the real trees. In a similar way, poor people are sad replicas of the real persons hidden inside of them. They cannot grow to their potential size because society does not offer them the social and economic base to grow on. Poor people are condemned to survive as Lilliputians in the land of super giants.

We should look at the emerging knowledge economy supported by the process of globalisation as an unprecedented opportunity for the poor and the poor countries. The future of nations will no longer be decided by the size of wealth of a nation, but by the quality of human resource it has. Information technology and education will make a big impact on the capacity of the poor and the poor nations to change their economic situation. A cluster of Grameen companies have been created to bring both information technology and education to the poor people of Bangladesh. Grameen Phone, Grameen Star Education, Grameen Cybernet, Grameen Information Highway, Grameen Software and Grameen IT Park are created to bring IT to the poor, and build IT capacity in Bangladesh.

Grameen Phone brings internet enabled mobile phones to the Grameen borrowers and makes them 'telephone ladies' of the villages. Today there are more than 21,000 telephone ladies selling telephone

services in half the villages of Bangladesh. Many of these phones are powered by solar power because electricity does not exist in those villages. Soon these women can become 'internet ladies' if we can design appropriate services for them. Technology is already in their hands. While extending telecommunication services to the poor, Grameen Phone has also done very well as a business. It has expanded its services to become the largest mobile phone company in South Asia in five years of its operation.

The Grameen Bank not only focuses on giving financial services, but it also promotes a strong social agenda. The 'Sixteen Decisions' adopted by Grameen Bank borrowers commit them to bring many non-economic changes in their lives, such as keeping families small, sending children to school and making sure they stay in school, breaking away from the custom of giving dowry to the bridegroom's family, making sure they drink clean drinking water, etc. Because of the Sixteen Decisions, Grameen borrowers have taken great care to send their children to school. Today not only are all of them in school, but some of them are also in colleges, universities, and professional schools. The Grameen Bank hopes to see that the second generation of the borrowers will grow up to take advantage of the knowledge economy and permanently shift away from poverty. The Grameen Bank offers nearly 4,000 scholarships every year to leading students of Grameen families, and gives student loans to 100 per cent of students who are in the institutions of higher education. Another Grameen Company, called Grameen Education, offers a scholarship management service. If a sponsor gives a recoverable grant of Taka 100,000 (US \$1,724), a scholarship of Taka 500 (US \$8.62) per month, or 6 per cent per year on the grant amount, is given to any poor student, Grameen or non-Grameen, up to perpetuity or as long as the money is kept with Grameen Education. Grameen Education is hoping to find hundreds of thousands of sponsors for these scholarships to prepare the poor boys and girls in Bangladesh for the knowledge economy and globalisation.

Information technology can be a big help. Supported by microcredit, IT can open up doors, providing opportunities of innovative financing, connection with the market, and direct access to information. IT can eliminate layers of middlemen between the poor and the market. An individual poor person is an isolated island by himself and herself. IT can end that isolation overnight. A poor person can be at the central shopping mall of the world, accessing not only finance and the market but also health, education, ideas and friendship. IT, with microcredit, can bring dramatic results in eliminating poverty, if we design IT appropriately for the poor. It can be easily and sustainably done.

The Commonwealth's role

The Commonwealth, with a combined population of 1.6 billion people, has been a low-key network of nations. While remaining low-key, it can still find a significant niche for itself. As a family of very rich and very poor nations it may pick up the aim of halving the poor by 2015 among the Commonwealth nations as the agenda of highest priority. It can compile the road maps of each Commonwealth nation in achieving this goal, monitor quarterly or six-monthly progress country by country, and share this information with all the nations, and exchange experiences.

The Commonwealth can develop and implement its own code of conduct for rich and poor countries within the family to make absolutely sure that globalisation works for the benefit of the poor and the poor countries as much as it works for the rich and the rich countries. The family of Commonwealth nations can demonstrate that this can be achieved - and it is not as difficult as it looks.

The Commonwealth can take up a big programme to promote social entrepreneurs and create supportive legislations and policies. This is one area where the Commonwealth can make a significant impact in the whole world. The Commonwealth nations have a long tradition of social entrepreneurs. It is nothing new for them. What is needed is to accept them as serious builders of the economic and social future of our nations. Instead of thinking in terms of public sector and private sector, we should think in terms of public social sector, private social sector, and private profit sector. Since the Commonwealth is a 'family' of nations, it must set an example of how family members work together for the common goal of sharing prosperity. The world today needs good examples. The Commonwealth is well-placed to provide these examples.

The Commonwealth can set example in the massive expansion of financial services for the poor to create self-employment, and for preparing the poor to bring the benefits of globalisation to their homes. It can help the member nations to open up the telecom and IT sector and bring these services to the poor. It can set example in preparing the youth of the poor families for the knowledge economy and open up doors to quality education and work experience. In the backdrop of September 11, doors of rich nations are either closing to the young people of the south or getting narrower. This is a very ominous sign for the poor countries trying to get ready for globalisation.

While standing solidly against terrorism, the Commonwealth may make it clear that terrorism is not something which can be conquered at the battlefield. We must address the root causes of terrorism to eliminate terrorism. One of the major causes of terrorism is poverty. Achieving the 2015 goal of halving poverty becomes all the more important in this context. I'd like to see the Commonwealth always standing for peace; raising its voice and using its influence to avert war. The road to peace is slow, painful and frustrating. But it brings sustainable solutions and harmony among peoples. It brings out the best in human beings, while war brings out the worst.

Yes, we can

Now, going back to the moot question - can we really reduce extreme poverty by half by 2015? My emphatic, unequivocal answer is, yes, we can. We can do more than that. We can set ourselves on a course to eliminate poverty from the world for all time to come. We can get ready to put poverty in the museum, where it belongs. Each human being is too resourceful and intelligent to suffer from the misery of poverty. Poverty and the human species just do not go together. But in reality it has happened because we created wrong mindsets which did not allow poor people to know how much potential they have. All we have to do is to remove the heavy crust that keeps their abilities unknown to them.

Enabling people to explore their full potential is an agenda we must take up seriously, to make sure our efforts to reach the 2015 goal become a thumping success. This goal of halving the poverty must be achieved by 2015 - if we pride ourselves to be sensible, sensitive and creative beings.

Thank you.

N.B. Entries to the Forum must carry the subject of the Thesis to which they refer. General entries should carry the subject of the introductory page: 'Goals of the Academy'.



would
welcome  your mail.

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