

Peace is Freedom from Poverty

1998 Sydney Peace Prize Lecture

Muhammad Yunus

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Foreword by Dr Jane Fulton

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Foreword

This occasional paper is a transcript of the 1998 Sydney Peace Prize Lecture given by Professor Muhammad Yunus, founder of the Grameen Bank, on 27 November 1998 at the Seymour Centre, Sydney.

The Sydney Peace Prize Lecture is given annually by the winner of the Sydney Peace Prize, awarded by the Sydney Peace Foundation to exceptional human beings who have established a legacy within society of enduring peace that respects human rights. The Foundation was started in 1998 as a partnership between corporate, media, public service, community and academic groups to promote understanding of peace and the practice of non-violence. It has two main aims: to select and award the Sydney Peace Prize, and to sponsor peace initiatives in significant areas of human rights, peace research and development.

Starting in 1976, with a lending base of a mere \$45, Muhammad Yunus laid the foundations for Grameen Bank which today offers microcredit worldwide. By the year 2005 it aims to take credit to 100 million of the poorest families of the world, representing more than 500 million people, or roughly half the poor on the planet. Currently, Grameen Bank lends \$60-80 million every month, in tiny amounts to the poorest of the poor, mainly women, for self-employment. With loan repayments in excess of 98%, Grameen borrowers have been successful in raising living standards in areas of health, housing and education. As a result, Grameen Bank's microcredit is regarded as a powerful antidote to poverty.

The core message of this lecture is that we do not have to live with poverty. It can be addressed. Until poverty is eradicated discussions about human rights are fruitless. Poverty is a denial of human rights.

Many thanks to Diane Bolton for transcribing this lecture.

Dr Jane Fulton 21.11.99

**SYDNEY PEACE FOUNDATION
PEACE PRIZE LECTURE**

“PEACE IS FREEDOM FROM POVERTY”

MUHAMMAD YUNUS

27 November 1998

It's a great honour for me to be here this afternoon and receive this honorary doctorate for the work that we do in Bangladesh and also the kind of issues that we are raising about poverty. When I was teaching in Chittagong University, just like any other professor in a Bangladeshi university, routinely meeting students and repeating what I learnt in my days as a student, I never realised that I would have an occasion to close my books and wonder what significance all these things have in the lives of the people that I believe in, in Bangladesh. I almost came to the conclusion that all of the things that I teach in the classroom have no relevance whatsoever in the life of the people who lived around the campus. That turned me into a kind of a fugitive from the academic world, and my colleagues and my friends in the university wondered what went wrong with me. I was looking for an opportunity to see if there is any tiny way I could relate myself as a human being to one of those persons who were suffering from extreme poverty next door to the campus.

I have no ambition, I have no vision of any kind. I am not trying to change anything in the world. All I have is the intention to see if I can make myself useful to another human being. That led me to the village next door, and it was accidental that I sort of bumped into an issue, which at that time was a very local, personal issue. The village people were looking for a small amount of money, as small as less than one dollar. Not having it, they were forced to work for money lenders, accept extremely unfair conditions, just to get that amount of money, and in the process become bonded labour, a slave, to the money lender.

So I thought, I can do something about this. I lent money from my own pocket, trying to get these people out of the clutches of money lenders. And that led to a series of events. A particular one was a confrontation with the traditional banks who refused to lend money to the poor people. At that time I thought I can resolve this by offering myself as a guarantor. So that's what I did. I personally guaranteed the loans that the bank would agree to give through me to the people in the village next door.

And it changed me completely, because banks were saying that it cannot be done, and I had no idea whether it could be done or not. So I tried it, and luckily it worked. And I was drawn into it, because banks kept repeating that it can work once, but it won't work twice. So I did it twice. It worked. Then the banks said: "The professor may be able to succeed in one village, but he can't repeat the miracle in two villages". So I extended myself to two villages.

It worked. Then the bank said: “Well, one village and two villages are about the same thing - what you really should do is at least try it in five villages”. So by that time I got so excited I did it in five villages. It worked. And the bank raised the number to ten villages, twenty villages, fifty villages, hundred villages. And in the meantime I’m getting more and more excited every time it works. But my friends in the bank didn’t change their mind, but I had changed my mind. By that time I felt completely convinced, with not a shred of doubt, that the poor are credit worthy. They can take money and pay it back, because they had done it so many times by then, and in so many villages.

So I wanted to have a separate bank, and I would concentrate only on this. It was not an easy thing to convince the authorities to permit me to set up a bank], but again, I was lucky. I got the support from the government. They approved me to open Grameen Bank in 1983. And then we kept on expanding. Today, this bank works in nearly 40,000 villages in Bangladesh, and the number of workers has increased to 2.4 million - 94% of them are women. And all the things you hear about Bangladesh paint a pessimistic picture: Bangladesh being a country with disasters every second, third or fourth year, with one disaster always followed by a greater disaster. And you must have seen and read about the recent flood in Bangladesh - which was the worst in our history - two-thirds of the country going underwater - 25 million people leaving home, because their homes were underwater. And among those who left their homes and lost everything were, of course, Grameen borrowers. But with the flood waters gone people are going back and picking up the pieces, standing again on their feet, and showing their strength and their coping capacity in disasters.

We keep asking ourselves: if the poor can take money and pay it back and change their lives, why is the world waiting around? Why do we have poverty all over the world? Why couldn't we just allow, just create, those institutions which will extend this facility to the people who are never reached by the traditional banks? And this tiny amount of money not only brings changes in their economic life, it changes the very person in the way she looks to the world. When for the first time a woman borrows money (it would be a small amount - 30-35 dollars) she is scared to death even to hold that money. Such a big pressure. In many cases she will be trembling, tears will roll down her eyes, and she cannot believe anybody could trust her with such an enormous amount of money. But when she starts paying back that money, it is not the money amount that she pays back - she starts exploring herself, “Yes, I can do it!”. She had strong doubts. Everybody said you can’t do it. And now she does it. By the time she completes her entire payment, not only has she repaid the loan, she has transformed herself from being nobody, to being somebody. She looks at the world as if she can conquer it now. The excitement of it leads her to plan for the next loan, which is always bigger than the first loan, because now she feels she can do it. Which leads to many other things, like housing loans in Grameen Bank.

We have given housing loans for nearly half a million houses. Nobody ever thought of giving housing loans to a poor person, and our typical housing loan is 300 dollars. When she builds that house, the first time she enters it she feels like she is entering a palace - a dream house. She never dreamed she could live under a tin-roof house. And it changes her perception of the world completely.

There are certain things called Sixteen Decisions in Grameen Bank. And one of those Sixteen Decisions says that we shall send our children to school. To implement that decision we encourage them, so that now *100 per cent of the children of Grameen families are enrolled in the schools*, and stay there. And many of these students are coming to the colleges now. We

see many Grameen children coming to medical schools, engineering colleges, universities. We were surprised, because we were not expecting that to happen so soon. Seeing the numbers each year increasing, we introduced a new loan program for higher education. The entire cost of education-related expenses of any incoming child enrolling himself or herself into centres of higher learning would be financed by Grameen Bank, as long as he or she continues their education. And they will pay back this loan over time when they go on to their professional life. More and more children from Grameen families have continued to come.

Another thing we have tried to do through the Sixteen Decisions is to encourage 100 per cent voting during elections. We thought this was their civil right, and they should be exercising their civil right and their political right. In 1991, we achieved 100 per cent voting participation from all Grameen borrowers and family members. We went to great lengths to ensure that 100 per cent of Grameen families voted. In 1996 July election, we repeated that. But we expanded our activity a little bit by saying also bring your neighbours, particularly your women neighbours. And if you recall, at the 1996 election in Bangladesh, overall voter participation was 73 per cent. We never had such a high turnout of voters in Bangladesh. On top of it, what surprised us all, more women voted in that election in Bangladesh than men.

So when you start building your self-esteem it can expand in many other areas. In 1997, we had a local-body election in Bangladesh. So we adopted the political procedure encouraging 100 per cent voting and the 'also bring your neighbours' policy. We had a very good turnout in the local level election. But what surprised me particularly, and everybody in Grameen Bank, this time Grameen borrowers became candidates for the local-level bodies. More than 4,000 Grameen members and their family members got elected in the local bodies. And 42 of the local-body chiefs came from Grameen families. So now they are very enthusiastic about party participation and political activities. All we had encouraged them to do is to participate in voting, but as for running in the local elections, this was their initiative. When I asked them: "Why did you run for election, I thought you would be voting?" they replied: "It is a big task to find people we can trust, we couldn't find any - so we debated and debated and we said we can trust each other, why don't we run? So that's what happened, we ran, and we got elected.". And this time it was convenient because for the first time in local-bodies, women were directly elected by the workers. In the past political candidates were nominated by the government, which overlooked women. Now, with direct elections women had a chance. They could run, and get elected.

So we can create a path where not only people change their own lives, but also where society can change. That is a wonderful way to proceed. Change has also occurred in the area of health. Recent research from the International Diary of Research Institute in Bangladesh reveals that child mortality in Grameen families has reduced by 37 per cent. Bangladesh is a country with one of the highest child mortality rates in the world. So to reduce child mortality by 37 per cent is something to rejoice.

All we are doing is banking and lending money. We are not an organisation to deliver health services or alternate advice. We are only trying to create *an enabling environment* so people can take care of themselves. So when we talk about peace, peace is not something you can just take, like a package, and throw into the houses around the world, because to build peace you have to start at an individual level, and step by step to a family level, to a community level, only then can we have real peace. And if you are talking about peace, we cannot ignore issues like human dignity, we cannot run away from issues like human rights. You cannot

begin to build human rights without first addressing the issue of poverty, because poverty is just another name for denying all human rights to one individual.

So if you are on the path of peace, these are the issues we must address, and address in a human way, not as some type of dictum, some kind of prolonged impost on people. Rather, we need to build an institution that people feel comfortable with. We look around and many of the institutions look like they are created to be served by people, not to serve people. And it is easier if something goes wrong for an institution to point fingers at the people: they are wrong, they are stupid, they are illiterate, they are backward looking. And I am always arguing that if something goes wrong, and institutions cannot achieve the objectives they have put forward in their preamble, it is the institution which is at fault, not the people. People are never wrong. It is the institution which is wrong by failing to understanding what the people want, what the people can do. To overcome this blindness *we have to go back to the drawing board on institutions, to redesign them so that they meet the needs of the people.*

We are about to enter a new millennium. As we do that, we not only welcome a new millennium, we welcome a new world, a new time in the history of mankind. We are entering a time which is pregnant with promise. As we conclude the twentieth century, the world offers new hopes and new possibilities. Unprecedented, powerful technology, whose frontier is expanding at each moment, is opening up doors for new ways of looking at the world; at new ways of living with each other. New technology is making it possible now, and will make it more and more possible in the future, for individuals to be in a position to judge things for themselves, and voice their feelings instantaneously. We won't wait for any intermediate in institutions. In the new millennium it will get more and more difficult to keep individual citizens in the dark, or manipulate their opinions by some other instrument of information. People will be able to create mega-events of their own, which will dwarf the power of the super-authorities. For the first time in human history, people shall triumph in its true sense.

But how long will it take for this to happen? Shall we need the next whole of the century, or shall we achieve it mid-way through, or maybe during the first quarter. There is no doubt that it is going to happen, but how, when? This will depend on how seriously we want it. New technology will not only bring individual citizens on the planet in touch with each other, but in the process it will create a distance-less, border-less and even language-barrier-less world. In this emerging new peoples order, we will seriously be asking ourselves: "should we continue with the old meaning of the word 'peace', or should we give it new meaning?" We must ask the question: "whose peace will you be working for?" First of all, peace should not be understood in military terms, such as the absence of armed conflicts. Peace should not mean the most powerful nation, or a group of powerful nations, ruling the world. Peace should be understood in the human way - at an individual level, at the family level, community level, as well as at the national level. Peace should be understood in a broad social, political and economic way. Peace should be understood within the framework of the relationship among all living beings and the planet. Peace should mean respect for each other, unconditional recognition for each others' rights and obligations. In the human context, peace should mean recognition of the unlimited potential buried in each and every human being, and commitment to help each other unleash the creativity in every single human being. It should mean establishment of all human rights for all people, including the inalienable right to explore one's own potential to its highest limit. It should mean social justice, freedom of action for individuals, and for self-governing communities, and for nations, within the framework of upholding the rights of others.

No matter which way we define peace, the track to that peace will come from the economic side, the political side, from the social side, from the environmental side, and at the individual level, all the way to the international level. I see global poverty emerging as a major threat to peace. Not only is it a major threat to peace, but also it is unnecessary - it is a waste of human energy, creativity and productivity in a massive way. *Poverty of one individual anywhere in the world reduces the human dignity of all people.* Poverty is unnecessary because resource-wise, technology-wise, there is no reason why poverty should exist and continue to deepen and widen on this planet. If we make up our mind to wipe poverty from the surface of the earth, it can be done faster than we think. My experience in Grameen Bank has given me an unshakable faith in the enormous capacity of each human being to take care of himself and herself. All he or she needs is an enabling environment.

Unfortunately, instead of creating an enabling environment for the poor, we have been building roadblocks for them. Some through our indifference, some by misconceptualising their ability as human beings, some in pursuit of our short-term gains: social, political and economic. *Poverty is not created by the poor. It is created by the concepts and institutions we build, and policies that we pursue.* If we re-design our concepts and institutions and policies in an appropriate way, we can create a poverty-free world where peace would be easier to build than it is in today's world.

In the past twenty-two years, through Grameen Bank, we have given US\$2.5 billion worth of Bangladeshi currency to the poorest people. 94 per cent of them are women, with repayment rates any bank would be proud to achieve. The poor have demonstrated in Bangladesh, and now in many countries around the world, that they are indeed credit-worthy. I feel strongly that it is time to raise the question: "Are the banks *people-worthy*?" Poverty denies a person control over his and her destiny. Poverty means not being able to tell what tomorrow will bring. *Poverty is a denial of all human rights.* There is no way we can condone the existence of poverty anywhere. Human beings have the capacity to create a world that they would like to live in. Let us decide to create a poverty-free world and give peace a better chance than we have ever offered before. Peace is every human being - man, woman, child, young, old - living with dignity, with freedom, with control over their own life. Peace is ensuring human rights to every citizen of the world. Peace is being at peace with one's self: morally, socially, and economically. The new millennium and the new technology offers us a new opportunity. Let's not miss this opportunity. We can create the world we want. Let's create it.

QUESTION TIME

(Q) *Professor, I have one question. I know that Grameen Bank is focused primarily on microcredit to the very poor. I just want to have your comment on whether there is the possibility of extending that to what I would call micro-investment, or micro-equity investment, to small and medium enterprises, again in the poorer regions.*

(A) Grameen Bank itself only works with the poorest. Whatever the need in financial terms to support them - that is our mission, that's what we do. And many of our borrowers are expanding their business, but not to the extent that you mention. The woman I mentioned taking her first US\$30 loan is, after fifteen years, paying US\$35 per week as her *installment* payment, meaning her loan is so much bigger now. And we see people as the years go by approaching a period when they will not be as productive as they have been at a younger age. Who is going to support them? Usually in Bangladesh the parents look forward to their children supporting them in their old age. If a male child doesn't exist, the daughter will be looking after their family. If they are lucky they get support from several. Some don't get support from anybody. To overcome this uncertainty we got involved with the creation of many other companies. One such big, nationwide company, is called Grameen Phone, which is a cellular telephone company, much like any other cellular telephone company anywhere in the world. But this one is different in the sense that it brings the telephone service into the hands of the poor, older women who sell the service of the phone in the village. These women, who are Grameen borrowers, become the telephone ladies of the village. The phone is financed by the Grameen Bank. The company has invested some US\$50 million so far, and will ultimately be owned by Grameen borrowers. We have kept a certain percentage of shares for the Grameen borrowers and before Grameen Phone becomes a public issue, we will try to make sure all Grameen borrowers have shares in that company. We also have other companies, such as Grameen Textile; a Grameen internet service provider company; and several others. So our objective is that a Grameen borrower will have dozens of shares in many different Grameen companies. And this portfolio of shares will be her old age pension. She will have dividends coming to her so that she doesn't have to worry about her old age. And in order to manage these assets we created a company called Grameen Securities Management Company, which looks at the financial affairs of Grameen families. So this is one way that we do it. And in answer to your question, we created another company called Grameen Fund which is a social venture capital fund. Not the kind that you are familiar with in this country or other countries - it is a social venture capital fund for the poor people. There are many people, young people, who are good mechanics, or know all the ropes of the trade, but could never set up a business, because they never had the money. So this social venture capital provides the money and becomes a partner with the person who brings the skill and the knowledge. This person can buy off the Grameen Fund shares as he/she becomes successful, just like any other venture capital fund. So this is one way we handle that.

(Q) *Professor Yunus, I have a question to ask you. I'm sure that you've heard about the recent dispute between churches and the president of the World Bank in regard to the*

proposal by some church leaders that the World Bank should cancel debts to Third World countries. I would like to know your position on this issue.

(A) I have two points to make on that issue. In the past I have said, many times, that Third World countries do not deserve to be punished for the debts that they have incurred. When it was time for contracting that debt, it was mostly the international lending organisations who were so enthusiastic to give that money, and they called in their experts and consultants who designed those projects, and their experts spoke of an attractive internal rate of return. These same experts supervised the projects. Only when the projects went over budget and Third World countries were unable to repay their loans did these experts place all blame and responsibility for failure on the borrower. I'm asking of the World Bank: "What happened to your experts now, why don't you bring them back and ask them what kind of calculation they need." On many occasions the recipient countries were quite passive in the process of securing loans. All they had to do was sign on the dotted line with the promise of substantial benefits. So I would ask both sides to sit together to apportion that responsibility, not just one-sided apportioning. So this is one point. The second point about forgiving debts is that I'm opposed to it in a limited sense. My position is that we should not let the whole deal off by forgiving. The recipient country should pay back, but not to the lending agency. It should pay back to itself to create say a microcredit fund to benefit the poor people of that nation, in contrast to the failed international funded projects which did not help the poor people. So I would like to see this form of repayment rather than have the World Bank forgive and forget their Third World debtors by cancelling all outstanding loans.

(Q) *Professor Yunus, it was about a year ago I saw a video on the workings of the Grameen Bank and I remember watching it - really in a state of shock - because it wasn't the mechanics of the banking and the collection of money, but I felt I was watching an incipient social revolution: people being taught to share, to cooperate, rather than to compete. The Grameen Bank presents itself as simply a bank, and simply an economic institution. You've mentioned political participation rates. I wonder if you could comment on your feelings about how the Grameen Bank is affecting the political, cultural and social life of Bangladesh.*

(A) When I began Grameen Bank, I spoke to one very poor woman after she had gone through one loan cycle. I asked how she felt, what she wanted to do. She told about her life and how miserable it was, and she posed me a question: "Are we citizens of this country, or are we outsiders?" And it struck me that she felt she did not belong to this country. So one of the things that we did was to make a record of the life histories of individuals and their misery. These stories made us realise that it's not just bad luck that these people are poor, that we are all responsible in some way or other. So I wanted everybody to know about these stories and finally Unicef agreed to publish them in a book *Featuring One And Others*. And this quote I put in the front of the book: "Do you think we are citizens of this country?" So we keep hearing very penetrating words of wisdom from them, and once they have that control over themselves, they become very brave and expressive in very concrete ways, and cut off their dependent relationship with others [e.g., bonded labour to unscrupulous money lenders]. They want financial independence, which leads to personal independence, political participation, access to education, health, a lowering of infant mortality rates, a lowering of the birth rate. Bangladesh has become extremely successful in population control. New trends are

emerging: women used to have seven children, now they average three. Many of the researchers go back and talk about the contribution made by Grameen and other microcredit programs in Bangladesh, because now our borrower has become a decision-maker. Previously she was a taker, now she makes the decisions, and as a result, you see the impact on family planning issues. One story tells us that adoption of family planning practices within Grameen families is twice as high as the national average. We are not a family planning organisation. We never go out and preach those things, but people understand. They start looking at things in their way, and try to solve problems in their way, and this is one of the expressions they have made for themselves.

(Q) *Professor Yunus, since you hail from a developing nation how do you see the expansion of Grameen or Grameen-inspired institutions in other poverty-stricken areas, mainly Africa?*

(A) There are countries in Africa who are doing Grameen programs, but one of the problems that we see is donors having a negative impression of Africa, believing that nothing works there. I've been arguing with them - if you are so negative on African experience, can we do some experimentation, can we make a deal with you, and let's do it collectively and jointly and select the worst country in Africa that you've got and see how a microcredit program like Grameen can work. We have been talking about it, but nothing has emerged yet. But there are successful microcredit programs in South Africa. Other areas of Africa like Kenya, Uganda, and Ethiopia have small programs. There is no concentrated effort to have a sizeable program, but definitely it would work and it is likely to work better than in Bangladesh, because it was extremely difficult in Bangladesh to get women for the first time to think about using money and earning income. In Africa it is so different. Here women practically run everything. I was amazed to see market-places in Africa. Coming from Bangladesh, even if you go to Dhaka City, you hardly see a woman. But if you go to the market-place in Africa, it's all women, you hardly see a man. So it is that kind of entrepreneurial ability which I think makes Africans just the right kind of people to make good use of microcredit. So I hope it can be brought to them, and that it will bring positive changes to their lives.

(Q) *Professor Yunus, there has been talk of starting a microcredit system in Sydney. What advice would you give to such an institute?*

(A) Delighted to hear it. I would say that when you first hear about microcredit, Grameen Bank, the simplicity of the idea immediately catches you. But when you want to do the work I would request you to go beyond the simplicity part of it and get to the complicated part of it. To do it in a professional way you have to make the preparations to avoid mistakes. You don't have to adopt everything that Grameen Bank does in Bangladesh, but that you need to understand the reasoning behind everything that is done, so that you are prepared in a more informed way. Also you can look at the experience in other advanced countries, like in the USA, where there are more than two hundred Grameen programs running. You can take any one of them, particularly those in the inner-cities in the USA, such as New York, Chicago, and Los Angeles. The longest running inner-city program is in Chicago. Books have been written about it and that gives you a basic information about the do's and don'ts and information about initiating the program.

(Q) *Professor, as someone who has had an internship period with the Grameen Bank, I was wondering if you could outline how the floods impacted on both repayments and the compulsory Centre Meetings?*

(A) The flood was unusual. It was a very long flood, so everybody was worried in Bangladesh about what would happen after the flood waters had gone. There were speculations about a massive spread of diseases all over the country, shortage of food in the country, and famine-like situation in the country. This was because the flood also coincided with the leanest month of the year in our annual crop cycle, and traditionally people go short of food during that month. But when the flood water was gone, nothing of the sort happened. Diseases didn't spread, people could cope with the situation, and hunger and starvation didn't show up. So we were very happy with the outcome, and it showed how much coping capacity people had built for themselves. In the meantime, a lot of people speculated: "Now Grameen Bank will be washed away". People are just waiting to see it washed away, and we have got into the habit of disappointing them again and again. Borrowers are back into their repayments, and asking for more loans, wanting to repair flood damage to their house, or build a new house, or replace their dead cow, to start all over again. So, people are quite courageous. I think history taught them that they should be in command and carry on with it. So I see that Grameen Bank will get back to the normal level of activity in terms of Centre Meetings, in terms of repayments, by the middle of December [1998]. In terms of repayments we are only one or two percentage points behind pre-flood levels. We are really happy that people coped during the floods and are bringing changes to their lives.

(Q) *There are two aspects of the social experiments you talked to us about. One is the amazing results of empowering the poor financially. My question is about the second aspect of the experiment, which is the creation of a financial institution whose aim is not private gain, and whose activities are very diffuse – it is trying to reach a very large number of poor people. Now, I have never been to Bangladesh, but I was trying to imagine how would such an experiment would work in the developed country that I come from.*

(A) Well, any organisation can go corrupt if its not on its toes to achieve the goals and fulfill its mission. But the private organisations are difficult to go corrupt, because if they go corrupt, they go out of existence. The problem with government organisations is they can go corrupt and still flourish. If Grameen Bank, for example, becomes corrupt there are many other organisations now in Bangladesh who are dispensing microcredit to the poor people, so people can switch, and they will switch. If they do, Grameen Bank will not be able to pay the salaries of the staff. Grameen Bank right now has 13,000 staff. That's a big fat salary bill to pay. So you have to work very hard to make sure you earn enough money to pay your costs. So, in a free market competitive system, this is your bottom line. Although I'm talking about the free market enterprise, we try to create a space in the free market system where the enterprises will not be greed-based enterprises, or personal gain based enterprise. Instead we are promoting a '*social conscienceness freedom enterprise*'. These are as good as free market enterprise, but the profits of these companies are not going to the pockets of any individual person, or any group of individuals. Either we give ownership to the poor people, or we just make it a non-profit

organisation. Most of the companies that I mentioned are non-stock, non-profit companies, almost like trusts. But they are very much free-market enterprises: covering their costs; making profit. Profits don't go to an individual. So we can say that we can adjust many of the social issues in free market economy - you are competitive, you do the job, but at the same time your aim is to resolve a social problem. This could be in housing, or education, or health, or anything you think needs to be addressed. So all of our enterprises are designed that way. If they do not function, nobody can save them. They have to go defunct, they go out of existence. So you said can it be done in other countries? Of course it can be done in other countries, there is no magic in Bangladesh. It's the same thing. In Bangladesh, if you can recall, nobody will tell you it is one of the non-corrupt countries. If you look at the list of countries known for corruption, Bangladesh will occupy a very high position. But even within that environment, you can create an organisation which nobody, even your severest critic, will say is a corrupt organisation. And everybody admires Grameen - it's such a totally corruption-free organisation, in the midst of corruption all around. And that too has a very interesting angle to it, because at Grameen Bank we handle cash all the time, and this cash is handled by 13,000 staff, carrying cash on their body and walking miles, going places by themselves. And as Professor Rees was mentioning, we loan out US\$35 million worth of money every month. So we not only carry that US\$35 million in our pockets, we also collect some of that amount from the people, then bring it back to our office. The Grameen Bank is not an office-based organisation. It's a home delivery system - we come where the borrowers are. So it's our basic principle that people should not come to the bank, the bank should go to the people. So we are doing business on the doorstep. We carry enormous amounts of cash. Our money collectors could be tempted to run away with the two or three days worth of money he or she has collected for Grameen Bank. But nobody disappears. Then he or she could fake an attack, 'I was attacked on the way, and all my money is gone'. But nobody has done that yet. Yet Grameen Bank is collecting money in this way a thousand times a day. It is not safe even in big cities around the world to carry cash in your pocket. But in Bangladesh Grameen Bank employees go through the villages, along lonely roads, with a lot of cash. They are not attacked, yet Bangladesh is not a country known for its high standard of law and order. So there is something. I feel very proud of the young people who work for Grameen Bank, and work very hard, and still didn't get involved with any corrupt practices themselves.

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