

Creating a World Without Poverty  
by Muhammad Yunus

Muhammad Yunus' long journey began when he could no longer teach theories in economics while terrible poverty was all around him in Bangladesh. So, he began to tackle the task of talking to the poor to learn about their daily lives to see where he could help improve or empower them. Amongst the many reasons, early on he found out how the poor were being taken advantage of by "moneylenders." Despite their hard labor, these moneylenders would only lend to the poor if the poor agrees to let him buy all of their finished goods – whether it be hand woven baskets or crops – at a price at which he dictates. From that point on, Muhammad let his inner passion propel his goal of seeing his vision come true; creating a world without poverty.

Muhammad decided to lend to the poor all by himself since he knew it would be better than borrowing from those moneylender's. The loans were small enough (\$27) that he was able to start this out of pocket and was astonished when he found that he was being repaid on time, every time. This eventually led to Grameen Bank, which translates to "Village" bank, which is a "social business" involved in microcredit.

He defines a "social business" as having these following qualities; in business to meet a social goal, pays no dividends, sells products at prices that make it self sustaining, investors get back the amount that they put in over a period of time and no dividends are paid to them, thus making the business self sustaining since any further profit created would be used to finance expansion, and new products or services. Muhammad sees that this type of business is the only type of business we have seen so far that is truly aimed at achieving a social goal, for example poverty – as is uniquely defined depending on the area. He points out that the key difference being that "social businesses" are not constricted or forcibly driven to only be in business to maximize profits from pushy shareholders. Some might wonder why would this apply to non-profit's or charities that also have social goal's. Muhammad addresses this by saying that NGO's not only rely heavily on a stream of donations by generous individuals or organizations, but the need to constantly raise funds from donors uses up the time and energy of nonprofit leaders which takes away from their end goal. The key difference being that once a "social business" is up and running, it is self sustaining, given that it is a service that is truly needed and used.

His social businesses aren't just limited to microcredit loans either. He has also has services such as health care, telephone services, eye care, and clothing just to name a few. He believes that if there is a will, there is a way to address the needs of basic human rights.

The biggest aspect of how Muhammad's microcredit bank differed from anything else ever done before was the sense of community that also came along with being a member at Grameen Bank. Not only do they attend weekly meetings in a small simple center set up in their respective villages, but they are also part of a small 5 member group to check in with each other to see how the other's are doing financially and offer advice.

Throughout the book, Muhammad makes it clear that there is great need to reform the current capitalist system to also work along side social businesses so everyone wins. He mentions that our banking and economic systems ignore half the world; "Poverty exists because of these intellectual failures rather than because of any lack of capability on the part of the people."