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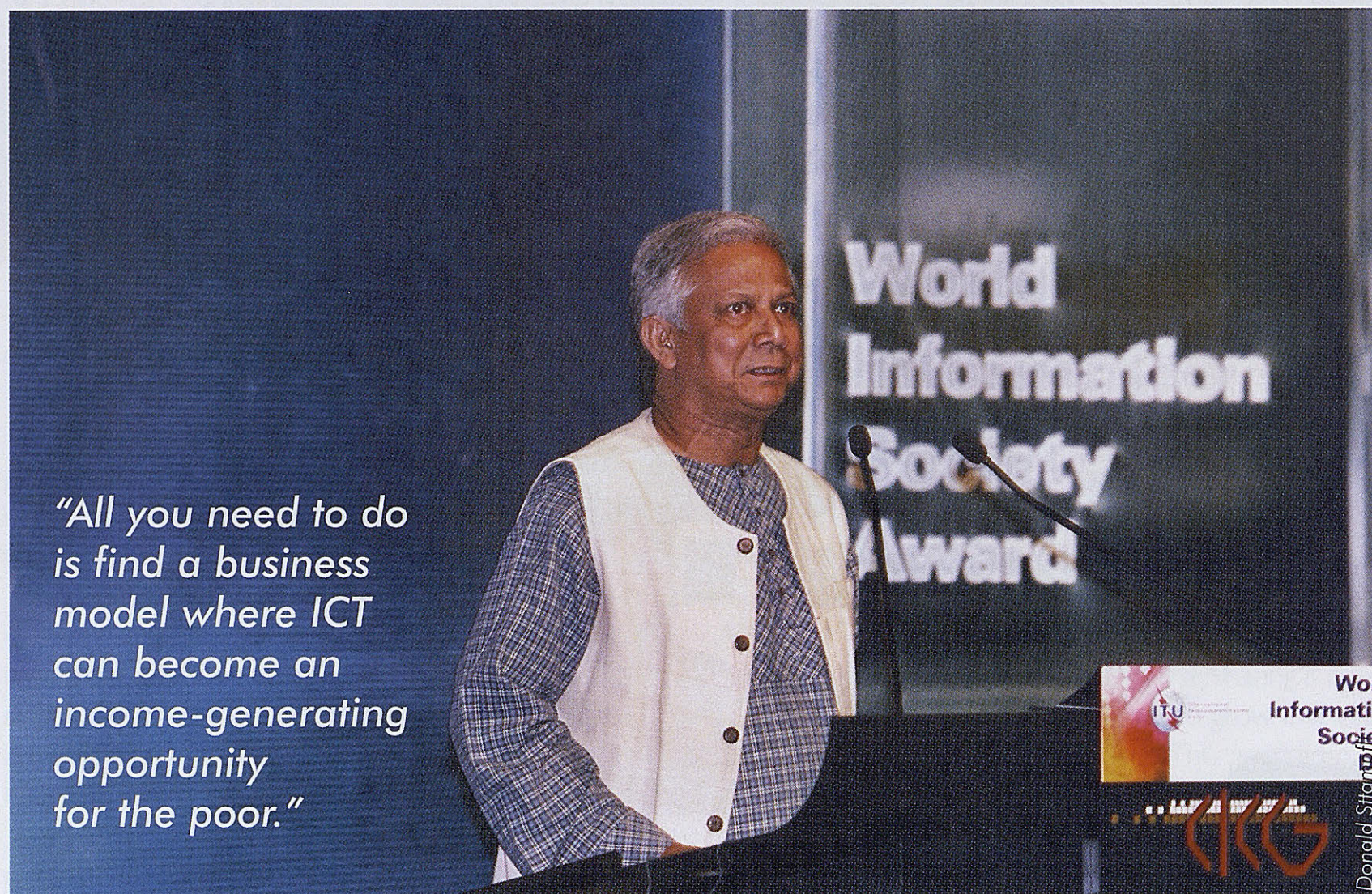
(ITU) للاتصالات الدولي الاتحاد في والمحفوظات المكتبة قسم أجراه الضوئي بالمسح تصوير نتاج (PDF) الإلكترونية النسخة هذه والمحفوظات المكتبة قسم في المتوفرة الوثائق ضمن أصلية ورقية وثيقة من نقلاً.

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Professor Muhammad Yunus of Grameen Bank, Bangladesh

Making a difference to millions of lives



The microcredit model

It is 30 years since Professor Muhammad Yunus of Chittagong University, Bangladesh, began to take direct action to help the poor in his native country. Instead of offering charity, or proposing large-scale public projects, in 1976 he took USD 27 from his own pocket to lend to makers of bamboo furniture in a village near Chittagong, who were held in poverty by a system of middlemen. By borrowing tiny amounts of capital — which conventional banks would not lend — the artisans were able to establish themselves as sustainable providers for their families. This system became known as "microcredit" and, in similar forms, has since spread to help millions of people in Bangladesh and more than 100 other countries.

Within a few years, Professor Yunus had established Grameen Bank (or "village" bank), a name that has become world famous among those who seek to eradicate poverty and help people to help themselves. This reflects the professor's strong belief that "the basic ingredient for overcoming poverty is packed inside each poor person," as he told the audience at the award ceremony in Geneva. An essential element of the programme is that it targets women, who comprise 96 per cent of Grameen Bank's borrowers. Asked later about the reason for this, Professor Yunus told *ITU News* that "we saw that money going to the family through women brought so much more benefit than the same amount going to the family through men."

Grameen Bank now serves 6 million borrowers, the professor said, with the number expected to reach 8 million by the end of this year and 12 million by 2010. He added that 98 per cent of the bank's loans are paid back — a much higher rate than for traditional banks.

Telephone ladies

One of the most successful ways in which microcredit has been used is through encouraging poor women in rural areas to enter the mobile phone business. This is achieved through Grameen Telecom, an offshoot of the bank and holder of a 35-per-cent share in GrameenPhone Ltd, Bangladesh's largest provider of mobile phone services. At first, however, few people believed that the project

could succeed. "Almost everybody with whom I shared my thoughts about getting poor women involved in the mobile phone business thought: this is an idea which may fit into science fiction, but not in the real situation of Bangladesh," explained Professor Yunus. "But poor women responded to my idea with enthusiasm," he added. "They learned quickly how to handle the phones, and the business."

Already, some 200 000 women, known as "telephone ladies," are earning a living for themselves and their families by offering much-needed communication services to their village neighbours. This number is growing fast, Professor Yunus told the audience in Geneva, and the women have proved to be so reliable as business partners that Grameen Telecom has launched another project in which the telephone ladies also sell connections to new mobile subscribers and act as agents for replacing prepaid phone cards. "This is a case of a win-win-win situation from all three sides," the professor said, "the mo-

bile phone company, subscribers, and the poor women."

Grameen harnesses ICT

As an economist, Professor Yunus does not come from a background in ICT. Nevertheless, he readily understands its power to help the poor. "This is a technology which empowers people," he said. "A user can go straight to the source of the knowledge, without having to go through a hierarchy. He or she can become a global citizen."

And microcredit can bridge the gap between the poor and ICT, the professor said. "All you need to do is find a business model where ICT can become an income-generating opportunity for the poor." Taking heed of this, the Grameen movement in Bangladesh has branched out into such companies as Grameen Communications (providing systems solutions through developing software products and services) and Grameen Cybernet Ltd, which is Bangladesh's leading internet services provider. Education is another priority of the

movement. "We have been emphasizing the importance of sending children to school since we began our work," the professor said, adding that "now there are more than 10 000 students at the higher level of education who are financed by Grameen Bank's education loans." ICT is also being used in the work of Grameen Shikka, a company with the main objective of promoting education in rural areas.

Grameen Bank itself is also using ICT to improve its operations, and Professor Yunus explained that its entire accounting system is computerized. "We are launching an experiment in collaboration with MIT Media Lab to use their *one-hundred-dollar lap-top* for our field staff to do all the record keeping and transmission of branch data electronically," he added. "We can pass on the benefit of improved efficiency to our borrowers, who are also the owners of the bank."

A new picture of design

Professor Yunus went on to speak about the need for change in the priorities of ICT designers.

They are busy creating endless incarnations of mobile phones and other equipment in every size, shape, colour and combination, he said "but I also want ICT designers to be given the challenge and opportunities to show their talent in designing equipment and gadgets which will solve the problems of the poor." To inspire their work, he added "these designers will have pictures of poor women in Bangladesh, Somalia or Bolivia on their desks to remind themselves who they are working for."



World Bank



Meanwhile, explained Professor Yunus, a technology promotion fund is being set up in collaboration with Mohammed Abdul Latif Jameel of Saudi Arabia, to provide venture capital and loans to finance innovative adaptations of existing technology and to market the results. Ideas about these types of cooperative relationship with the private sector were expanded further by the professor in another proposal put forward in his speech on accepting the ITU award: "social business."

Social business

The Grameen message is that not just new design concepts, but also a new type of business should be promoted that is working to improve people's lives, rather than simply for profit. "We need to reconceptualise

This challenge was quickly accepted by Benny Ginman, Director, Government Affairs, Europe, Middle East and Africa of Intel Corporation, a sponsor of the award ceremony. He invited Professor Yunus to meet Intel engineers and experts to discuss how to make a reality of his vision for a new type of ICT design. Mr Ginman later told *ITU News* that he found the ideas of the Grameen movement inspiring. "Making rich people richer is not a challenge; lifting people out of poverty, that's the challenge," he said. He also saw the business benefits for Intel in developing equipment that would open new markets for the company, while helping to improve the lives of the poor.

the business world to make sure it contributes to the creation of a humane society, not aggravate the problems around us," Professor Yunus said.

As well as offering opportunities to conventional firms, he advocates the establishment of "social business enterprises." These are non-loss, non-dividend businesses which aim to solve social, health, and environmental problems by using market mechanisms. Thus, they would not only do good, they would also be sustainable. "Social business enterprise is a doable proposition," he told *ITU News*. "It makes sense. If people can give charity to non-profit foundations, people can also do business with social enterprises."

To help bring the two sides together, he proposes that a "social stockmarket" be created to allow social business entrepreneurs and investors to contact each other. And he wants to see the creation of a focus for design and business efforts. "To pool the energy and talents of those who would like to devote themselves to bringing ICT to the poor in a form that they can benefit from best, I have been proposing to create an international centre for ICT to help overcome global poverty," he said. He envisioned it starting as an online, global network of committed people and social business entrepreneurs, which would later have a physical location with full-time personnel and design centres. "If we are serious about ending global poverty, this is to be a strategic institution to build," said Professor Yunus.

Ending poverty

The fundamental mission of Professor Yunus is indeed to end global poverty — and he truly believes that can be achieved. "The Millennium Goals say we have to reduce the number of poor people by half; if you believe we can do this, then we should be able to reduce the number by 100 per cent," he told *ITU News*. "That's the focus of our work. And microcredit is a very important tool, as well as ICT, and getting policy changes around the world." He sees the answer to the problem in changing political and economic systems so that they release the resources which poor people contain in themselves. "Poverty is not created by poor people," said Professor Yunus. "Poverty is created by the system, by the policies that we pursue so correct them. If you do, people will get out of poverty by themselves. They have the same energy and ability and creativeness as anybody else in the world." ■