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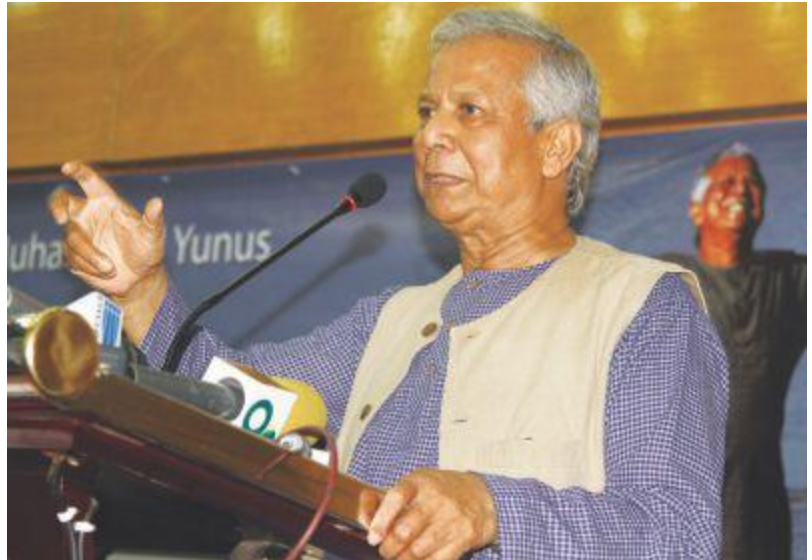
Yunus spurs students on social business

Star Business Report

Nobel laureate Prof Muhammad Yunus yesterday called upon the young generation to pursue his social business model to address the social problems in Bangladesh.

“Social business is designed to solve social problems. It is also known as selfless business or no-dividend business,” said Yunus.

He said the young generation can become entrepreneurs by pursuing this model. “Social business is all about ideas. It is not about money.”



Nobel laureate Prof Muhammad Yunus speaks on social business at BRAC University in Dhaka yesterday. Photo: STAR

Many people are now keen on investing in social business. “If you have a good idea, they will invest in it,” said Yunus while delivering a speech on social business to the students of BRAC University.

The Centre for Entrepreneurship Development, and Entrepreneurship Development Forum of the university arranged the event at the university auditorium in Mohakhali.

Yunus, who along with Grameen Bank won the Nobel Peace Prize in 2006, said some social business funds have already been created with some being in the process of formation to support these ventures.

He said all human beings are entrepreneurs. “Some people have discovered the challenge to be entrepreneurs, while some do not get the chance.”

The microcredit pioneer has formed ties with a number of renowned global firms such as Groupe Danone, Veolia, BASF, Intel, Uniqlo and Adidas in an effort to fight various social problems, including malnutrition of children and arsenic contamination in water.

Yunus said economic theories have so far interpreted human beings as selfish, ignoring the spirit of selflessness among individuals.

To him, explaining humans from only selfishness perspective is a 'fundamental flaw' in the whole structure of economic theories that maintain that business is only for making money. "We have misinterpreted humans."

"People are selfish; at the same time, they are selfless too. Theoreticians have never looked into that," he said.

About the other organisations, Yunus said, Grameen Bank did not establish any organisation itself as the law does not permit the bank to do so.

He said he had created many organisations on his own initiative to address problems surrounding education, agriculture, communication, electricity and health.

"There are reasons behind the creation of these organisations. When we go to work with poor people we have to face many problems besides loans," said Yunus.

"When I faced problems, I created a company as a way of solving them. I got such a mechanism in place so that they could operate from their own earnings and without counting on others. In that way, if any company fails, it will not take others down with it," he said.

These companies were not created for anyone to earn profit from them. There is no scope for making personal profit from these organisations, he said.

The Nobel laureate, however, said they are now facing problems in setting up new social venture due to reluctance of government officials

"These days are not easy to start a new venture because government officials are not very friendly to us," said Yunus, "They are very reluctant to give us registration. So we have to wait."

"Many of our companies now cannot go into operation due to the reluctance of government officials," he added. Over the years, his social business concept that stems from the spirit of selflessness has created enthusiasm around the world.

However, Yunus is not opposed to making profit within social business. Profit in itself is not a bad thing, he said.

Social business is allowed to earn profit to be sustainable -- with the condition that the profit stays with the company and is used in expanding social benefits it provides.

This sets social business apart. Conventional businesses are geared to maximising revenues and the profits earned by them benefit the owners, he said.

Social business is not a charity either. “It is more effective, much more transparent than charity.” When it comes to charity, Yunus said, people write cheques or reach into their pockets to give away money. “And once you have done this, you forget about it.”

In social business, on the other hand, people get involved. “You personally get involved and have to make sure you get the money back. That's why you have to meticulously design it. Your energy goes into it and that's a big difference.”

Yunus criticised the present system of capitalism that defines humans as one-dimensional beings whose only mission is to make profit.

He said Grameen Bank does not only lend money but also encourages borrowers to save money.