

7th Nelson Mandela Annual lecture

Johannesburg, 11 July 2009

By Muhammad Yunus

I stand in awe, standing in front of the most wonderful person on Earth today. I feel so honoured and privileged to say happy birthday personally to him today. You have inspired us; you don't know who we, where we grew up, but you have touched our lives.

As young people, we looked up to you: you stood tall and made us stand tall; you rejected prejudices and you inspired us to reject prejudices; you rejected hatred and you inspired us to reject hatred. You inspired us to love people, embrace peace; you inspired us to be brave, bold. You inspired us to be defiant. You inspired the whole world.

Today, in your 91st birthday year, it is such an experience to be in your presence on this stage. I feel privileged to be living on this planet while you are with us. Today, this is more than anybody can expect.

You lifted people from their insignificance. You gave people honour and dignity, irrespective of their race, colour or religion. You became the symbol of the human spirit. You became the symbol of how best a human being can be. You will remain an inspiration for all time.

You had your own struggles; the world watched, we watched on from a distance. We had our own struggles – little ones – but you inspired us, nonetheless.

Bangladesh was devastated by massive poverty when it became an independent country. It was devastated by war and bloodshed. On top of it there was massive poverty – and then came the famine in 1974.

As a young economics teacher, I was telling students how wonderful the subject is, how elegant the theories are. Outside the classroom, the famine is raging. Then the frustrations come: “What good does the theory [of economics] do if it is not working for people?”

So that's where one needs to be bold, to shake off whatever is in the textbook and go by the common sense, by the human spirit, to see if there is anything that can be done without any reference to any textbook.

That is the beginning of the story of our [Grameen Bank's] work – we were trying to do something for our neighbours to save them from the clutches of money lenders.

A few people in the village all together borrowed US \$27. So without reference or anybody's advice, I decided to lend US \$27 to [those] people so they could return it to the loan sharks and be free from their clutches. The excitement that it generated in the people caught me. I thought, “If you can make people happy for US \$27, why shouldn't I do more of it?”

I went to pitch the idea to the bank located on the campus. Why doesn't the bank lend the money instead of the loan shark? But they rejected my idea and said it couldn't be done; they told me it was impossible.

Madiba, you taught us that nothing is impossible – so we took the journey and did the impossible.

I became the guarantor and it [Grameen Bank] grew stronger and stronger and never collapsed. Now we have branches all over the world, including in South Africa. Those who told us that our model would collapse have collapsed.

We wanted to focus on women because we saw that when money goes to the family through women, it does so much more than going through men. The more we lent money to women, the more we were shouted at and condemned. We had male opposition and it was translated into religious opposition.

People said we were destroying their culture; that women needed to be kept at home because they weren't supposed to have or handle money. They said, "You are destroying them by giving them money; they are not supposed to have money."

I said, "You keep your culture, I am creating a counter culture."

Ever since then I have felt so strongly and said culture is useless unless it is supported by counter culture. People create culture; if people hide behind culture, that's a dead culture.

Dead culture is good for the museum, not good for human society. Human society moves on, evolves and creates its own culture, therefore taking the culture step by step. We defied that culture that wanted to remain a dead culture.

Today we have over eight million borrowers at Grameen Bank, 97% of them women. These women have succeeded in putting their children through school. We hoped that they would finish primary school, but impossible became possible so quickly not only did they complete their primary school, they went to high school. Grameen Bank encouraged them and gave them scholarships so they went to university.

We needed to introduce an education law so that they didn't have to stop there. Today, we have 38 000 students with student loans who are studying medicine, engineering etcetera in universities and colleges. Some of them have completed their PhDs.

Sometimes these students ask me to get them jobs because it is difficult to find jobs in Bangladesh. But I tell them that they are Grameen Bank kids, they must think like other children. I tell them that they should make a pledge and repeat that pledge all the time by saying, "I should never seek a job in my life, my mission in life is to create jobs. I am not a job seeker, I am a job giver."

I tell them that they are special because their mothers own the bank, so money is not their problem. [I tell them] "While studying, just figure out how to make the best out of this money so that you can create jobs for other children."

Today, women sit on our board, they make decisions. Money comes from the bank's own resources. We thought that if we depended on government money we would be stuck, so [instead] we take a deposit from the people and then we lend money to others.

Today we have a completely new generation of children coming up in Bangladesh.

When I went to one of the villages, I met a woman who had been with Grameen Bank for over 10 years. I saw a smart-looking young girl who was a medical doctor and that woke me up.

Her mother sent her to university with the bank's money. She now practices in a nearby town. When I saw them a thought came to my mind that her mother could have been a doctor (there is nothing wrong with her), but nobody gave her a chance. The only chance: she joined Grammeen Bank, sent her daughter to school and university. That's the only difference there is.

Then you conclude poverty is not in the person. There is nothing wrong with poor people – they are as capable as anyone else – but society never gave them a chance.

Poverty is created by the system. Banks don't want to lend money to the poor people. The banks used to say if you [lend] money to poor people you won't get it back, but today Grameen Bank and banks all over the world have shown that poor people are the ones that pay the money back.

“Why don't they do it?” They don't answer.

That's where the root of poverty is, because of the institutions that make sure that some people remain deprived while some prosper. If we fix those institutions then people will show their creativity and children will be more capable than their parents were.

Policies are also to blame: the only thing that we give poor people because we think they can't afford [anything] is charity. Poor people get charity from the state, but this is not a solution to poverty. Charity freezes poverty, imprisons people. It takes away a sense of responsibility from people; it takes initiative away from them. The responsibility of the state is to create opportunities for people, support them so that they can stand up for themselves.

Human life is all about taking challenges; it excites human beings to take on challenges.

The concept is responsible. People's concept of business in the world is to make money. The whole mission of business is to maximise profit.

I asked, “The theoreticians who created this kind of business, did they consider a human being as a one-dimensional creature who just wants to make money?”

Human beings are not one dimensional – they are multidimensional; they want to do a lot of things. So how come in the economical world we cut off the other part of human beings and just concentrate on one. That's where we went wrong.

We have selfishness in us and that tears our businesses [apart] because we want everything to ourselves. I am talking about investing money in a social business. People give away their money – thousands of dollars of it – and no-one thinks they are crazy. How come when I say invest money in a social business then I am crazy?

That is the most appropriate thing to do. If we had done that, we could reduce all the problems we have. We can create social business to address poverty, to bring nutrition, clean drinking water and [allow] people to sustain themselves.

We have done that in Bangladesh. Whenever I see a problem, I immediately go and create a company and that's what I do all my life. I created Grameen Bank to solve people's problems. Not for myself, but for the people. I don't own that business, it's owned by the people it helps.

We have a social business called Grameen Danone in Bangladesh to address the issue of malnutrition in children. We don't take any dividend out of it. It is created to bring nutrition to the malnourished children of Bangladesh. We put in all the nutrients – iron and so forth – and make it delicious. Children love it, I love it and so do you. Children who eat two cups of the yoghurt each week and continue to do so over eight to nine months get all the micro-nutrients and grow up to be healthy and playful children.

Why don't we do it? Anybody here can do it. Anyone can create a social business and employ unemployed people. If five people here created a business and employed five people, they would have jobs.

If I create a social business like that and you create one like that, how many unemployed people will have jobs? You don't have to wait for the government to do it; we can solve our own problems. If you can find a way to create employment for five unemployed people then you have a seed. We need to plant the seed over and over again, spread it out until the unemployment problem is solved.

I don't want to make money; I want to make sure that people have proper healthcare, access to education and a changed mindset. If we can create a different frame of mind we would be a better society. Every single company can create social business; there are many areas companies don't want to operate in because operating there doesn't give them profit. If that company can create a social business in that area, people can be employed and that area will offer a service to people. It won't be for making money, but it will be doing a social business. If we change the institutions and concepts, we can create a different world.

The current financial crisis awakens the fact that the system that we have isn't really working and this is the right time for us to undo things and build them in a new way. It is time for us to wake up and realise that there are things we need to change. We are going through economic crisis, food crisis, environmental crisis, social crisis isn't it time that we wake up?

These are the things that we need to undo. This is the 20th anniversary of the fall of the Berlin Wall and we will be celebrating that. That wall was demolished not by explosives or military power, but by citizens who got together and chipped away the wall. Many of them had their children on their backs and that's what we call people's power.

If people brought down a wall that no-one thought would disappear, we can make this world a poverty-free world. It can happen.

This year marks the 40th anniversary of the first man who landed on the moon. People didn't believe him at first – they thought it was a crazy idea – but he did it. If we can go all the way to land on the moon, can't we go to our neighbour's house? Is it that impossible?

If it's impossible, let's do it.

It's Madiba's 91st birthday year, the man who brought an end to apartheid... Everyone thought it couldn't be done. He did the impossible and made it possible. We got rid of colonialism, slavery and apartheid – everyone thought it was impossible. Let's take the next impossible, do it with joy and get it finished and create a world free from poverty.

The human journey began in Africa. On behalf of Africa, let's make South Africa the first country where there is not a single poor person alive and let's do it fast – in the next 20 years. You are laughing because it seems impossible. After 20 years, let's say if you can find a single poor person in South Africa then we will give you a million dollars as a reward and nobody will be found.

South Africa will be the first place to create a poverty museum. Our children will go there and see what it was like to live in poverty, because by that time there will be no poverty. Let's make it happen.

Thank you.