

# REDESIGNING ECONOMICS TO REDESIGN THE WORLD



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## Redesigning Economics to Redesign the World

Will the present economic system be able to establish appropriate level of moral, social, and material balance in the world ?

I don't think it can.

The present system is like an impersonal sucking machine which thrives on continuously sucking juice from the bottom to the top. The higher you are in the system, the more juice you are able to suck. It is not because bad people are running the machine; just the machine is built that way. The system was not designed to have any moral responsibility. At least that is not in practice. Discussion on moral responsibilities is an after-thought. This machine turns people into money-centric robots.

The stock market which is the ultimate judge of business success, does not grade businesses on the basis of its moral commitment. Moral issues were never included in their reporting template.

### **Social Business**

I have been proposing and practising a new kind of business which is based on selflessness, replacing selfishness, of human beings. This type of business runs parallel to the selfishness-driven business that rules the world. Conventional business is personal-profit seeking business. The new business, which I am adding, is personal profit-forsaking business. It is a for-profit business, but personal-profit forsaking business. I call it social business -- a non-dividend company to solve human problems. The owner can take back his investment money, but nothing beyond that. After getting

the investment money back all profit is ploughed back into the business to make it better and bigger. It stands between charity and conventional business, and designed with the objectives of charity and carried out with the methodology of business, but delinked from personal profit-taking.

Charity is a great concept to help people, and has been in use since time immemorial. But it is not sustainable. Charity money goes out, does a wonderful job, but does not come back. Social business money gets the job done and then comes back. As a result, this money can be re-used endlessly. It creates independent self-sustaining enterprises, which have their own lives. These enterprises become self-fuelled entities.

The capitalist system is justified on the assumption that making money is the sole source of happiness. The more money you make the happier you are. Money is an incentive, no doubt, but it is not the only incentive for human beings. Making money is happiness; but I feel making the world happy, is super-happiness. Capitalist system is about freedom to choose. But when it comes to looking for happiness it gives no choice. By introducing social business, to make the world happy, we give people another choice. Now they can choose.

Business schools today train young people to become business-warriors to capture market and money. They are not given any social mission. If we accept the concept of social business, business schools will be required to produce another category of graduates equipping them to become social-problem-fighters to bring an end to social problems through social businesses. We would need to create social stock markets to attract investors who would like to invest in problem-solving enterprises, without having any intention of making personal profit.

## **Income disparity**

The present version of capitalism will never deliver equitable distribution of income. A system that is built as a sucking machine cannot bring equitable distribution. It was never put in its DNA.

In today's world, 85 individuals own more wealth than all those in the bottom half. Top half of the world population own 99% the wealth of the world, leaving only 1% for the bottom half. It may get worse because technology will remain under the control of the people at the top.

## **Indifference or worse**

Indifference to other human beings is deeply embedded in the conceptual framework of economics. Theory of economics is based on the belief that human being is basically a personal gain seeking being. Maximizing personal profit is the core of economic rationality. This encourages a behavior in human beings which may be described by a far harsher word than mere 'indifference' to other human beings.

By its fundamental assumption Capitalist Man does not have any virtue other than selfishness. Real Man is a composite of many virtues. He enjoys relationship with other human beings. He is a caring man. He is a selfless man. He is a trusting man. We have many good examples to demonstrate these virtues. To show that he is a trusting man, take the case of Grameen Bank in Bangladesh. The entire bank is built on trust. There is no effort in this bank to establish relationship with legal glue. It is a lawyer-free bank. It lends out over one and half billion dollars a year to 8.5 million poor women on the basis of trust only. Now it works in many other countries, including in the USA, in exactly the same way. Repayment rate is close to 100%.

## **GDP Does Not Tell The Story**

As we create a world based on selfishness, people move away from each other. In that selfish world the very way we create measurements of business success itself fuels more selfishness.

Human society is an integrated whole. It's success or failure should be measured in a consolidated way, not purely on the basis of an aggregate of purposefully chosen economic information about individual performance.

GDP does not tell the whole story. We need something else to do that. It may be GDP minus all human problems (poverty, unemployment, illiteracy, income inequality, status of women, lack of human rights, absence of law and order, lack of technology and opportunities for all people, etc.)

As we move from the national scene to the global scene, we see the extension of the same behavior. Ideally, globalization should have been the process to create a close global human family. But in practice, it is going the other way. It is placing people and nations in a confrontational posture, each trying their best to enhance their selfish interest.

## **Technology**

If the present variety of capitalism continues, the more we advance in technology, improve our infrastructure, spread globalization, and bring 'efficiency' in the system, the more the system will become more fine-tuned in sucking the juice from the enormously wide bottom to transport it to the sharply thinner top.

Technologies, particularly ICT, with progressively higher levels of creativity, and speed of accessing information is changing the world faster and faster. There is indeed a surprise waiting in every corner. But there is no global vision

driving these changes. Great innovations are designed and dedicated mostly for commercial success. Creativity rushes in the direction wherever businesses see market potential. Nobody is putting up any highway signs to lead the world to its destination. It raises the question, does the world have a destination, or, should it have one? MDGs are probably an attempt to define an immediate destination over a short period. That was a good beginning. We should have a 15-year destination, and then, 50-year destination at the same time. For every business we may post these goals along its path guiding them to expedite in reaching the goals within time, or ahead of time, and refrain from doing anything which will be counter to achieving those goals.

There are lots of amazing breakthroughs in the world, but they don't add up to becoming an unstoppable force to get the world to its destination because these breakthroughs are not in any way linked to any destination except to the daily goal of making personal profit. Given the power of technology and creativity, any destination is reachable today. But it does not look like anybody is seriously concerned about a global destination. We gloat and float with our selfish personal and company goals. Since we do not have any collective direction, we are likely to waste our power by putting it behind random selfish forces, or, worse still, not using our power behind great opportunities which are not visible in the selfish radars.

Why are we missing a collective destination? To begin with, education system is at fault. Young people are never asked to engage themselves in finding out what kind of world they would like to create. They are never told that they are the creators of that world. There is no curriculum in the school to let the students imagine their dream world, what steps they can take to build that dream world. They may be asked what things they are unhappy about in this world. What are the things



that will make them happy if they happen in the world. Once they start imagining a new world, they will start making attempts to create it.

### **Financial Institutions Are Designed for the Rich**

We have created a world for the rich by creating the financial institutions for the rich. If we want to get the poor out of poverty we have to create exclusive financial institutions for the poor. Institutions designed for the rich will not do any good to the poor.

Finance is power. For the bottom half of the world population, banks do not exist, so they remain powerless.

Today there is concentration of economic power in a few hands because financial institutions are dedicated to help them in accomplishing this. We talk about land reform for overcoming poverty, because land represents power in rural societies. But we don't talk about credit and equity reform. We don't ask the question of who gets how much of bank credit and equity? Or what percentage of population gets what percentage of bank credit? This one piece of information will give us the real story on power and powerlessness. Credit and equity disparity is the single most powerful cause of income disparity.

We will have to create new financial institutions if we are worried about income disparity and poverty. Grameen Bank has shown how even the poorest women, and even beggars, can do business with a financial institution provided it is designed for them. Don't ask them to do business with an institution which is designed for the rich. Social business funds can be the answer to the availability of equity to the bottom-most people.

## **Not Job Seekers, But Job Creators**

While the idea of labour union is an excellent idea, the basic assumption of 'once labour, always labour' has to be removed. There should be plenty of opportunity for each and every person to switch from being labour to being an entrepreneur. Social business can make it happen. Every person, at all stages of his life, should have two options, either to work for somebody, or be an entrepreneur. He should be told about these options in school, when he is growing up. He should be given opportunity to prepare himself, both as a job creator, and as a job-seeker. Even if someone takes up a job, it does not have to be a life-long engagement. He should have the opportunity to move about in both worlds. It is essential that we build appropriate financial institutions to make it happen. Financial institutions are key to make these switches possible.

## **Creating a World without Unemployment**

Unemployment means throwing a fully capable person into a trash can. It means punishing a human being to remain paralysed. A human being is born to be active, creative, energetic—always exploring ways to unleash his own unlimited potential. Why should we allow anybody to unplug a creative human being, and deny him the opportunity to use his amazing capacity? Who unplugs him? Why do billions of people around the world remain unplugged? Why do we deprive the world of the creativity of almost half the adult population?

This problem of unemployment is not created by the unemployed people themselves. It is created by our grossly flawed conceptual framework which has drilled into our heads that people are born to work for a few privileged people called entrepreneurs. Since entrepreneurs are the drivers of the

economy, according to the present theory, all policies and institutions are built for them. If they don't hire you, you are finished. What a mis-reading of human destiny! What an insult to a human being who is packed with unlimited creative capacity.

Our education system is an extension of this same economic theory. It is built on the assumption that students should work hard, get good grades so that they can get good jobs. Education is seen as the process of preparing young people to get jobs and live happily after. Top universities in the world pride themselves in letting the public know that their graduates appear at the graduation ceremony with appointment letters in their pockets.

I have been insisting that all human beings are born entrepreneurs, not job-seekers. Education system should be aimed at enhancing their entrepreneurial capacity, not eliminate it, by making the students believe that getting a job is the ultimate goal of their lives.

Young people are never told that they are all born with two choices, and continue to have these two choices throughout their lives. They can be job-creators, or they can be job-seekers.

In Grameen Bank we are inspiring the second generation of borrowers' families to believe that they are not job seekers, rather they are job givers. All children in the world should grow up that way. Institutions and policies should be created to make it happen. Job seeking should become a second choice for any young person. In Bangladesh we have created social business fund to provide all the equity he or she needs to become an entrepreneur. We provide him or her all the support to make him or her successful.

Why are half the young people in some European countries unemployed? Why are they talking about a 'lost generation' in Europe? Why are they accepting it as an unalterable fate? Are they not insulting human capability by accepting it as fate? Is putting unemployed people on state charity the only solution? Is this how we uphold human dignity, by putting creative young people on state charity? What about giving them opportunity to explore their own creative power?

We may ask them to start an enterprise of their own. In that case the most important support they would need is initial financing. This is how micro finance idea was born and took institutional shape in Grameen Bank. Micro-finance was aimed at creating self-employment for the unemployed poor women. It worked. I see no reason why similar specialised financing institutions for credit and equity should not work for the unemployed youth. We need to create such intuitions. We can start with social business funds to provide equity to the unemployed youth in Europe and elsewhere.

We must take the initiative. We cannot just sit and watch a whole generation of young people fall through the cracks of a theory, because we are too timid to question the wisdom of our theoreticians.

We have to redesign our theory by recognizing the limitless capacity of a human being, instead of relying on 'invisible hands' to solve all our problems. We will have to wake up to the fact that 'invisible hands' are invisible because they do not exist.

### **State charity**

If we can ensure that nobody needs to remain unemployed, we get a society without poverty and without state charity to support the unemployed. Unemployment is an artificial

creation of our faulty conceptual framework. It is not natural to human beings. Human beings are doers; they are go-getters. But our theory has put them in chains. Theory should not be allowed to punish human beings. We should punish the theory by scrapping it.

We should make sure that the word 'unemployment' soon becomes unemployed. When we build a new world we should make sure in that world the word 'unemployment' will not make sense to anybody. Nobody would be able to figure out how a full blooded human being could remain idle. In our conceptual framework we should not allow anything which is derogatory to human spirit. Theory should reflect us, we should not be subjected to being reduced to fit a theory. Human beings should not be squeezed into narrow moulds of theory. Theory must allow enough room for human beings to grow, rather than limit them. Human beings thrive in this world by constantly making impossibles possible. Theory must keep all its doors open to make it happen easily. People should have the final word on their fate, at each stage of history, not the theory.

Helping people in distress is the prime responsibility of the state. State charity must be applauded for doing an excellent job of taking care of its citizens in distress.

But a still higher responsibility of the state will be to enable people to come out of their distress as soon as possible and get out of their dependence on the state.

Human beings are all about independence and freedom, and their constant search for their own worth, not about dependence on anyone. Dependence diminishes human beings. Their mission on this planet is to make it a better place for everyone. They should not be put in a situation where they remain dependent on the state all their life, then pass it on to

their next generation, who in turn, passes this on to the third generation, creating an unending series. State charity has created this situation for many people in Europe. We have the technology and methodology to bring an end to this. All that is needed is a determined initiative.

## **Conclusion**

A human being is an enormously creative and entrepreneurial being. Conceptual framework of present capitalist theory is too narrow and undignified for him. It reduces him to a selfish robot. We need to design a theory keeping in mind the true human being, not a distorted and miniaturized version of him. A true human being holds the potential of assuming any of the many diversified possibilities. He is a selfless, caring, sharing, trusting, community-building, friendly human being. He is, at the same time, also the reverse of all these virtues. How he will shape himself will entirely depend on the world around him. We need to give him all the opportunity to bring out the right virtues. Today we limit him to a very narrow role. We do not introduce him to his limitless possibilities. Theory constrains him to a narrow self-serving path. That is where the trouble begins. We should have told him instead that your possibilities are limitless; you can do anything you want; you have the power to create a world without poverty, without unemployment, without income disparity, without endangering the planet, without wars and weapons, and with equality, friendship and peace.

Now the time is here to tell him that.



**"We Are Not Job-Seekers, We Are Job-Givers"**  
**Turning Unemployment into Entrepreneurship**





## "We Are Not Job-Seekers, We Are Job-Givers" Turning Unemployment into Entrepreneurship

Grameen Bank started out with a tiny initiative in the village of Jobra in 1976. In 1983 it became a formal bank. Now in 2014 it has over 8.5 million borrowers. Right from the beginning we paid attention to two things: 1) borrowers build the habit of savings by putting money every week in a savings account. We encouraged them never to give up this habit. 2) Secondly, borrowers should send their children to school. We paid highest attention to the second generation in the families of borrowers. At the very start of Grameen Bank we encouraged our borrowers to use their Centre House, a hut under which borrowers assemble to hold their weekly centre meeting, as a place of learning for their children. They hire a local girl or a woman paying small salary (usually TK 500 or \$ 6.5) to teach their pre-school kids everyday. Families had no experience of schools. They could not tell their children what to expect in school. This new learning and fun centre acted as a soft introduction to the kids to get used to reading and writing, also have fun being together everyday, as a way to overcome the fear of school.

We included the commitment of sending every child to school in the basic charter of pledges of the borrowers, famously known as "Sixteen Decisions", chanted by all Grameen Bank borrowers collectively, in every weekly meeting week after week, year after year. We launched a campaign to make sure hundred percent of the children of Grameen families go to school. This was quite a daring task when most of the children of poor families did not go to

school. Grameen Bank gave scholarships to thousands of students each year to encourage them to continue in school and compete for better performance. Our campaign worked. We succeeded in making all children go to school. When they finished primary school we encouraged them to go to high school. Most of them did. When they finished high school we encouraged them to go to colleges. But that created a problem. Going to college needed money. We came up with a solution. Grameen Bank introduced education loan to make sure they move to higher education.

### **Nobin Udyokta**

Since then thousands of students have taken education loan to become graduates, doctors, engineers and professional people. But for most of them there were no jobs. They were very frustrated. At this point we launched another campaign. We started campaigning to redirect their mind from traditional path of hunting for jobs to creating jobs for themselves and others, through entrepreneurship. We invited them to keep repeating to themselves that "we are not job-seekers, we are job-givers". We tried to inspire them to create businesses, with Grameen Bank loans, instead of hunting for jobs. We called those who chose that path and took loans from Grameen Bank, as Nobin Udyokta (NU), or "New Entrepreneurs".

NU programme did not pick up any speed, because parents were reluctant to let their sons or daughters take more loans while they still have the unpaid education loans. Moreover, bank staff were very slow in giving them fresh loans because they still have outstanding loans to clear.

### **Design Lab**

As the idea of social businesses was catching up by 2013, through various conferences, writings, interviews, I felt we needed a platform where we could bring the entrepreneurs to

present their social business designs in front of a group of experienced business executives and social activists, to seek their advice. This would do two things, it would encourage people to come up with social business ideas, and develop this platform as a sounding board for getting the concept of social business more business-ready through its application in concrete situation. Yunus Centre organized the first Design Lab in January, 2013. It went very well. Encouraged by its success we decided to do it every month.

As the Design Lab continued to attract new business plans we thought about inviting the business plans from Nobin Udyoktas of Grameen Bank to link them up with social business angel investors who would invest in their businesses. It started in a slow motion, but within six months it picked up speed. By the end April, 2014, 68 NUs presented their business plans in the design labs. My expectation is, by the end of 2014, at least a total of 200 NU business plans will be approved for investment. I think this number will easily double itself each year. Once the implementation structure is built, speed of expansion will pick up easily.

### **From Loans to Equity**

Impact of this shift from loans to equity to create social businesses is far reaching. This has a possibility of addressing the issue of global problem of youth unemployment, or any unemployment for that matter, in a sustainable and a replicable way. It is simple, but very effective. It has moved the issue from traditional prescription of job creation through promoting profit-maximizing investments or investments in large infrastructure projects by governments, to simple, sustainable, and direct micro equity financing of the business of the unemployed person himself within a social business format. Here the action directly aims at the very person whose

problem is to be solved. It is not an uncertain bye-product of an enterprise intended for profit maximization. In a social business the investor solves a problem by creating a business. In this NU case the investor solves the problem of youth unemployment (needless to say, the method can be used in any type of unemployment situation whether the young, or the old). Investor, in a social business, does not take any profit from his investment, except for getting his investment money back. The NU is responsible for paying back whatever money he received as equity within an agreed period. This offers an exciting opportunity for any entrepreneur. Imagine what a thrill it is for a young entrepreneur entering the business world for the first time.

### **Relationship Between Investor and NU**

The entrepreneur may have some or no shares in his business. He can be the managing partner or a paid manager of the business owned by the investor. Investor will be monitoring the performance of the manager/ managing partner, but will not get involved in the actual running of the business. As the business makes profit, the investor receives his dividend. When he has received enough dividends to equal the amount of equity he has invested, he stops taking further dividend. It is time for him to move on to the next investment with the money he got back. But his objective will not be achieved until he establishes the entrepreneur as the owner, because his intention was to transform a job-seeker into a job-giver. This was his objective. If his intention had been merely to create job for a young unemployed person, his objective would have been achieved right at the start. Even if he holds on to ownership of the business, the business would already be a successful social business. But his objective was bigger than just providing employment; it was to transform a job-seeker into a job-giver, that is, creating an entrepreneur. This he does

by selling the shares to the entrepreneur following social business guidelines.

Question comes, what price would he charge to the entrepreneur for his shares? He is entitled to sell them at the book value, or at the market value of the shares. Both these values are higher than the face value because the business has already paid back the original investment amount. According to social business guidelines, investor can sell his shares at the market value, but he has to reinvest the additional money he receives beyond the face value, into another social business, or in the same social business. In other words he cannot enjoy additional value created by his investment. In our NU programme, we made an easy rule. In selling the shares of a NU business, the investor will take an amount equivalent to the original investment amount plus additional fixed sum of 20% over it. We call the additional amount "share transfer fee". The entrepreneur finds it very attractive offer, because, firstly he is buying the shares at the face value, not at the book value. That itself is a big gain for him. Secondly, fixed charge of 20% on the original equity over the entire pay back period is a rather modest amount to pay to the own shares. For example, if the entrepreneur is paying back the investment amount of Tk 1.0 million he will have to pay back a total fixed amount of Tk 1.2 million irrespective of how many years it takes to pay back the money. Instead, if he had borrowed the money from a bank his interest burden will grow each day, making the total repayment burden twice or thrice the original loan amount in a few years.

What would be the justification for charging the "share transfer fee" in the NU programme? We point out two reasons: one, in social business shares are transferred at market value. In NU programme the entrepreneur is asked to pay the amount equivalent to face value, which would be much smaller than the market value in a successful business. Two,

investor in the case of NU programme is not a passive investor. He is a very active investor. He prepares the entrepreneur to become an efficient entrepreneur, arranging training for him, providing guidance to him, monitoring his business performance, providing support services, bearing the business risk, helping him to handle emergencies etc. Fixed amount of 20% is only a small fee for covering all these services over a period of several years.

By September, 2013, we had got some early experience in handling the NU programme. During this period, we developed basic methodology, reporting formats, identification and assessment procedures, etc. Initially, Grameen Telecom Trust was the investor. They brought the NU projects to the Design Lab for getting critical assessment from a group of experienced professionals. Usually there are around 150 people participating in a Design Lab. It is live streamed through the internet. Participants from 70 to 80 countries attend the session in live stream. Participants ask questions, make suggestions to the investor to improve the project or raise issues which they thought had been missed out in the project preparation.

By now, one year later, methodology has been made sharper. More Grameen companies (Grameen Telecom Trust, Grameen Kalyan, Grameen Trust, Grameen Bybosha Bikash, Grameen Shakti) have initiated their own NU programmes. Common facilities, like computerized MIS, and accounting software, common training facilities, are being developed. Innovations are added by each Grameen company to make the programme more effective. A rigorous implementation structure is emerging to make sure NUs get thorough orientation, training in business management, accounting, reporting, and have access to support services.

## **Identification And Implementation**

Whole process begins with the identification of a potential NU. The implementation structure of the investor, which has village level staff to work with the entrepreneurs, is responsible for identification of the potential entrepreneurs, helps them develop their business plans, and prepare the NUs to make presentation of their plans to the participants of the Design Lab.

The whole process starts with the home visit of the potential entrepreneur and getting to know him and his family in all details, capture his dreams and fears, and try to build confidence in him. Informal discussion in small groups of 4 or 5 takes place to let them get to know each other. Once a sizable number (say 30 to 50) of young men or women have been contacted the village staff will organise an orientation and identification camp in a village. Experienced camp leaders will attend the camp to carry out the identification and confidence building process. Participants learn the rules and procedures of NU programme, ask questions to get a clear picture of the programme. They assess each other's business plans, strength of their business will. Camp leaders give them business games to play and test their problem solving quality.

At the end of an intensive get-to-know-your-entrepreneur exercise, camp leaders make a short list of the participants who have impressed them as entrepreneurs likely to succeed, in the first round of selection. The rest are assured that they are kept in the waiting list; they'll be invited in the next camp. In the mean time they can prepare themselves to present a better performance next time.

The short-listed candidates then go through second round of project development exercises, in another convenient location, on a later date. Entrepreneurs selected in this round are invited



to Dhaka where they'll give final shape to their business plans and give them a professional appearance with the help of trained staff of the investors. Project summaries are prepared in English for a five minute presentations at the Design Lab where the entrepreneur has to defend his project. Usually after all this long process of preparation Design Lab does not find any ground to reject any project. Participants give some good advice and flag some issues to help better implementation. In rare cases an entrepreneur is asked to modify his plan to make further improvement and present it to the next Lab.

Once the project is approved, handholding process for implementation begins. Investor and the entrepreneur now go through a process of bonding together for a successful journey ahead. All regulatory issues are threshed out, necessary documentation is completed. Monitoring and accounting training are completed. D-Day comes! Funds are released. Business starts rolling.

Grameen Communication, a Grameen software company, has developed an accounting and monitoring software to collect MIS and accounting information from every NU business on a daily, weakly and monthly basis. Daily figures are sent via text messages. All information accumulates at the central server, which produces reports for each investor on daily, weekly, monthly or for any other period as the investor would like to have.

### **Social Business Village**

Next step in NU programme is to deepen it by giving it an institutional structure and vision. This is to be done by creating Social Business Villages (SBV). To make it an autonomous, and economically viable entity, we take a Union, lowest local government unit in Bangladesh, covering a cluster of about 20 villages, as the "greater village". This village unit is being developed as a Social Business Village.

Each SBV will have a Social Business Fund and a Social Business Incubation Company. Incubation company will promote the idea of social business, help develop business plans, bring successful social businesses from outside to replicate, create joint ventures with companies from outside the village, network with other Social Business Villages, invite non-resident villagers who are engaged in professional activities outside the village, or the country, to help build up the Social Business Fund and invest in social businesses in their own village. Bangladeshi people have a very strong emotional attachment to their own villages. No matter how long they are away, how far they are away, from their villages, they still feel a strong bond with village. SBV programme may reconnect them to their villages in meaningful ways.

A Social Business Village will qualify to call itself as such only after it is formally recognized at the annual Social Business Day celebration which is held regularly on June 28 every year. Minimum qualification requirement for applying for this recognition is to create at least 25 NU projects and 5 other types of social business successfully.

We are inviting individuals, foundations, and businesses to contact us, if they are interested in creating their own Social Business Villages. We can help them set up appropriate structures to do that, like Social Business Fund, and incubation company. We offer our services to manage the Fund and the company under management contracts. Grameen Telecom trust will select three unions among those who will contact us, to provide matching funds. For these three unions, Grameen Telecom Trust will invest an amount of money equal to whatever amount the union can mobilize on its own. In these cases both the Social Business Fund and the Incubation Company will be managed by Grameen Telecom Trust.

This will be an interesting experience of joint venture between Grameen Telecom Trust and the unions in creating Social Business Villages.

### **Franchising**

Franchising social businesses will also be good way to spread social business. For example, an initiative is underway to franchise an existing social business of producing sanitary napkins in small factories in diverse locations. Each replication will need an investment of ten lakh taka (\$ 13,000), employing five people. Equipments for this factory are easy to build, install, and operate. Each SBV can have one or more of these factories as social businesses. Each factory can be owned individually or collectively by women who work in the factory. They can earn additional income by selling their own products among their neighbours.

### **New Solution for an Age-old Problem**

When I was promoting credit for the poor women in early years of Grameen Bank, many experts around the world insisted that credit may work for only very limited number of entrepreneurial poor people. Entrepreneurship is a rare quality in people. It is more rare in poor people, they claimed to counter that, I came out with a reverse position. Position I took was -All human beings are entrepreneurs, with no exception. Not only I promoted that position I became a firm believer in it. Microcredit was born out of this firm belief. Current NU programme has the root in the same firm belief.

Social Business may bring a fail-proof new solution for an age-old problem, i.e. the problem of unemployment. It has application every where - poor countries, rich countries, urban areas, rural areas, tribal areas, isolated areas, anywhere. It does not have to be restricted to any particular group. The young, the old, men, women, the literate, the illiterate, all are

good candidates for becoming entrepreneurs. All human beings have their basic creative power. That, backed up by social business framework is all it needs for the success of turning unemployed into entrepreneurs.

Not only would this save people from extreme frustration and the depression of being unemployed, it would give people a new life, new hope and new mode of enjoyment. Everyone would become an active and productive citizen. In the process it would create a new economy. There would be no wastage of human creativity. It would save people from state dependency.

As the first step in this process we may begin by getting busy with turning unemployment into entrepreneurship in social business villages to solve the human problems with efforts of their own people. If we succeed in doing it, we can move confidently in the direction of creating a world without unemployment, and without dependence.



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Price : Tk 25.00

