

HIS PLAN FOR A WORLD WITHOUT POVERTY

A \$42 loan to impoverished workers four decades ago led to a global microfinance movement that won Muhammad Yunus the Nobel Peace Prize. Now, he aims to create a world where poverty doesn't exist.

Poor people are like bonsai plants. If you take the seed of the tallest tree in the forest and put it in a flowerpot, that tree will only grow one meter high. You wonder, why does this tree not grow as tall as the one you saw in the forest? It simply doesn't have a proper base to grow. Society never gives poor people the space, the base on which to grow tall."

– Muhammad Yunus

BY STEVEN MACKENZIE
CONTRIBUTING WRITER

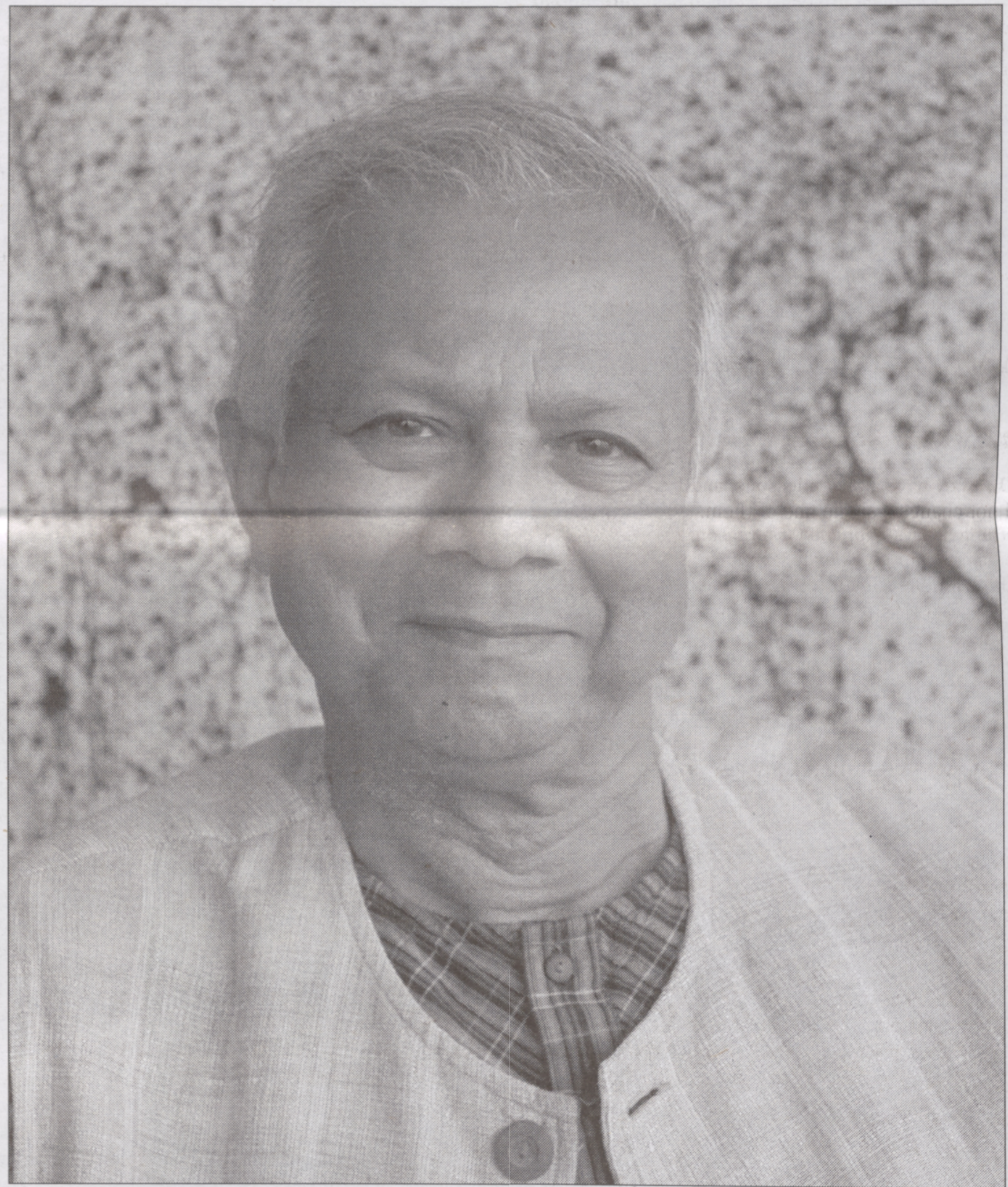
Muhammad Yunus has transformed the lives of millions of the poorest people around the world. In the 1970s, he was working as a professor at the University of Chittagong in his native Bangladesh when he realized how small loans could make a disproportionately massive impact on people stuck in poverty. He lent \$42 of his own money to craft workers, pioneering the concept of microcredit. The Grameen Bank (which means "village" bank) was established to provide investment to people mainstream banks traditionally avoid, basically spreading a little more soil for seeds to grow in. Most remarkably, loans are given entirely based on trust, with an almost 100 percent repayment rate.

"We don't have any lawyers," Yunus said. "Trust begets trust. If you trust them, they will trust you. Lawyers come when you distrust each other."

And although microcredit is by definition small scale, together it all adds up. Today, Grameen Bank lends over \$2.5 billion a year to 9 million borrowers, approving between 1,000 and 2,000 business proposals each month. The microcredit movement has spread throughout the world, operating in the United Kingdom along with more than \$1 billion invested in the U.S., with plans to double that in the next few years.

In 2006, Yunus' work lifting millions out of poverty won him the Nobel Peace Prize. He continues to challenge the financial system he believes is designed for wealth monopoly rather than wealth distribution. The system, he says, prioritizes banks that are too big to fail while ignoring billions who are too small to matter. With ever-rising inequality, he fears we are reaching a global tipping point.

"We are heading for massive disruption, an explosive situation – socially, politically, economically – because of wealth concentration," Yunus told *The Big Issue* – Street Roots' sister paper in the U.K. –



Muhammad Yunus

PHOTO BY TIM CAMPBELL

while he was in New York, spreading his message at the United Nations.

"Concentration of wealth also means concentration of power, so you have a world which is controlled by a handful of people," he said. "That is not a tenable situation. Brexit may be an expression of that dissatisfaction at the bottom. And look at the United States, the election in Germany, people at the bottom are very unhappy; they are frustrated.

"The real issue is how to make sure wealth does not flow in a one-way direction; how to reverse that so wealth starts coming from the top to be distributed so everybody

has a share."

Redefining 'self-interest'

Yunus has a plan to redesign the world's economic engine, ambitiously proposing a world with zero poverty and zero unemployment. All we have to do, he said, is redefine the notion of "self-interest" and the way we view our roles in the job market.

"Economic theory is fundamentally wrong because it is based on the assumption that

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