



YOUR KINDLE NOTES FOR:

Creating a World Without Poverty: Social Business and the Future of Capitalism (English Edition)

by Muhammad Yunus

Free Kindle instant preview: <http://amzn.asia/amdU84x>

41 Highlights

Highlight (Yellow) | Location 169

U.S. dollars—to use in starting tiny businesses. Access to capital, even on a tiny scale, can have a transforming effect on human lives. Over time, many of the poor are able to use the small stake that a microloan provides as the basis for building a thriving business—a tiny farm, a craft workshop, a little store—that can lift them and their families out of poverty. In fact, in the thirty-one years since I began lending money to poor people—especially women—millions of families in Bangladesh alone have improved their economic circumstances with the help of microcredit.

Highlight (Yellow) | Location 287

2015.) What is wrong? In a world where the ideology of free enterprise has no real challenger, why have free markets failed so many people? As some nations march toward ever greater prosperity, why has so much of the world been left behind? The reason is simple. Unfettered markets in their current form are not meant to solve social problems and instead may actually exacerbate poverty, disease, pollution, corruption, crime, and inequality. I support

Highlight (Yellow) | Location 379

Charity is a form of trickle-down economics; if the trickle stops, so does help for the needy.

Highlight (Yellow) | Location 426

Grameen Bank has always believed that if a borrower gets into trouble and cannot pay back her loan, it is our responsibility to help her. If we have a problem with our borrower, we tell ourselves that she is right—that we must have made some mistake in our policies or in our implementation of those policies. So we go back and fix ourselves. We make our rules very flexible so that they can be adjusted to the requirements of the borrower.

Highlight (Yellow) | Location 520

They have trained their minds to believe that well-functioning markets simply cannot produce unpleasant results. I think things are going wrong

Highlight (Yellow) | Location 526

quote Oscar Wilde, they know the price of everything and the value of nothing. Our economic theory has created a one-dimensional world peopled by those who devote themselves to the game of free-market competition, in which victory is measured purely by profit. And since we are persuaded by the theory that the pursuit of profit is the best way to bring happiness to humankind, we enthusiastically imitate the theory, striving to transform ourselves into one-dimensional human beings. Instead of theory imitating reality, we force reality to imitate theory.

Highlight (Yellow) | Location 535

The presence of our multi-dimensional personalities means that not every business should be bound to serve the single objective of profit maximization. And this is where the new concept of social business comes in.

Highlight (Yellow) | Location 567

social business is different. Operated in accordance with management principles just like a traditional PMB, a social business aims for full cost recovery, or more, even as it concentrates on creating products or services that provide a social benefit. It pursues this goal by charging a price or fee for the products or services it creates.

Highlight (Yellow) | Location 571

social business that manufactures and sells high-quality, nutritious food products at very low prices to a targeted market of poor and underfed children. These products can be cheaper because they do not compete in the luxury market and therefore don't require costly packaging or advertising, and because the company that sells them is not compelled to maximize its profit. • A social business that designs and markets health insurance policies that provide affordable medical care to the poor. • A social business that develops renewable-energy systems and sells them at reasonable prices to rural communities that otherwise can't afford access to energy. • A social business that recycles garbage, sewage, and other waste products that would otherwise generate pollution in poor or politically powerless neighborhoods.

Highlight (Yellow) | Location 582

As long as it has to rely on subsidies and donations to cover its losses, such an organization remains in the category of a charity. But once such a project achieves full cost recovery, on a sustained basis, it graduates into another world—the world of business. Only then can it be called a social business.

Highlight (Yellow) | Location 596

Thus, a social business might be defined as a non-loss, non-dividend business. Rather than being passed on to investors, the surplus generated by the social business is reinvested in the business. Ultimately, it is passed on to the target group of beneficiaries in such forms

Highlight (Yellow) | Location 624

owner of the company and decides its future course of action. That's a very exciting prospect on its own.

Highlight (Yellow) | Location 735

But social business and social entrepreneurship are not the same thing. Social

Highlight (Yellow) | Location 778

them—in fact, they literally cannot see them—because their eyes are blinded by the theories taught in our schools.

Highlight (Yellow) | Location 785

humane, enlightened thinking into business organizations is the cooperative movement, in which workers and consumers join forces in owning businesses and managing those businesses for the benefit of all. Robert Owen (1771–1858), a Welshman who

Highlight (Yellow) | Location 847

Individual entrepreneurs who have experienced success in the realm of PMBs may choose to test their creativity, talent, and management skills by establishing and running social businesses. They may be driven by the desire to give something back to the communities that have enriched them, or simply by the urge to try something new. Those who enjoy success in their first experiments may become “serial social-business entrepreneurs,” creating one social business after another.

Highlight (Yellow) | Location 861

When you have grown up with ready access to the consumer goods of the world, earning a lot of money isn't a particularly inspiring goal. Social business can

Highlight (Yellow) | Location 1031

the years since I heard from Tami, the problem has not improved. New ways to exploit the poor are always being invented. For example, if you are a member of the middle class, you may never have heard of payday loans, small, short-term loans, usually for less than \$1,500, that are given to low-income Americans who don't have access to mainstream sources of credit. They use these loans to get from one payday and the next—to pay an unexpected doctor's bill or fix a car or a broken appliance when money runs short.

Highlight (Yellow) | Location 1039

is so tempting to blame the poor for the problems they face. But when we look at the institutions we have created and how they fail to serve the poor, we see that those institutions and the backward thinking they represent must bear much of the blame.

Highlight (Yellow) | Location 1199

Human beings are not just workers, consumers, or even entrepreneurs. They are also parents, children, friends, neighbors, and citizens. They worry about their families, care about the communities where they live, and think a lot about their reputations and their relationships with others.

Highlight (Yellow) | Location 1332

Microcredit is supposed to describe loans offered with no collateral to support income-generating businesses aimed at lifting the poor out of poverty. Yet

Highlight (Yellow) | Location 1380

There are two other market-based solutions to the funding problem. The first is for MFIs to accept savings deposits—something that microcredit organizations run by NGOs are legally forbidden to do. It's a strange thing: Conventional banks that lend money to the well-to-do, and that often have repayment rates of 70 percent or even lower, are allowed to collect huge amounts of public deposits, while microcredit institutions with loan repayment rates of 98 percent or better are forbidden to do the same thing! When we in the microcredit community protest this discrepancy, we are sometimes told, "Microcredit programs aren't covered by any law, which means it would be highly risky to allow them to take deposits from customers." This strikes me as a funny argument. If the problem is a lack of legal coverage, let's remedy that. Let's create a law to convert microcredit organizations into microcredit banks to bring their programs within the framework of law and create a regulatory body for microcredit organizations that is separate from, different from, but parallel to the regulatory body that already exists for conventional banks.

Highlight (Yellow) | Location 1499

Grameen Fund 1994 Social venture capital funding for entrepreneurial start-ups

Highlight (Yellow) | Location 1886

social business that offered health insurance to the poor would not feel driven to drop the sick or elderly from its rolls, or to deny coverage for costly

Highlight (Yellow) | Location 1905

Social business is the missing piece of the capitalist system. Introduction of it into the system may save the system by empowering it to address the overwhelming global concerns that now remain outside of mainstream business thinking.

Highlight (Yellow) | Location 2507

non-loss, non-dividend company. Danone was totally agreeable to that proposition, but at the last minute, we added

Highlight (Yellow) | Location 2603

social business must be prepared to compete with traditional PMBs. It must provide customers with high-quality goods and services, provide excellent value for the prices it charges, and offer the same level of convenience and ease of use as any other company—if not more so. A social business can't expect to win customers just because it is run by nice people with good intentions. It must attract consumers and retain their loyalty by being the best.

Highlight (Yellow) | Location 2962

When Tom and Milla visited Grameen Bank in 2006, they fell in love with the people and the countryside of Bangladesh. They were so inspired that Tom wrote a song, "Hear Me Now," which tells the story of a Grameen Bank borrower they'd spent time with in a Bangladeshi village. They made a second visit later that year to produce a music video for the song, which you can see and hear on YouTube and elsewhere on the Web. Tom and Milla also became intrigued by the

Highlight (Yellow) | Location 3110

However, there is one problem with such socially responsible marketing in the current economic environment: namely, the lack of any recognized system for evaluating, testing, or enforcing claims of socially responsible products produced by companies. How can a consumer know for sure that a clothing manufacturer is not abusing workers in a factory in far-off Ecuador, Kenya, or Bangladesh? How can she be certain that the chicken or beef she buys in a food store has been produced using methods that are humane and environmentally sound? Standards in these areas are currently vague and difficult for the average person to apply. Consumers must judge based on company claims, advertising and marketing campaigns, statements from

Highlight (Yellow) | Location 3116

The existence of a social business market will subject these claims to much more serious scrutiny, since now both consumers and investors will be involved. With investors forgoing any return on their money, they will insist on concrete assurances that the social goal of the company is being achieved. In the same way, general consumers who patronize a company because it claims to be helping to reduce poverty, clean up the environment, or provide other social benefits will demand real evidence that the claims are true. Sooner or later, certification companies and audit firms will have to be created to monitor

Highlight (Yellow) | Location 3415

just as he or she does with any of his or her friends. I find it hard to believe that such a challenge is beyond the reach of creative geniuses like those who developed the graphical user interface,

Highlight (Yellow) | Location 3567

Even under normal circumstances, about 40 percent of the land surface of Bangladesh is flooded during the annual monsoon season. Like the fabled flooding of Egypt by the Nile River, this yearly phenomenon has a benign aspect, as it makes our land extremely lush and fertile. But when small shifts in weather patterns

intensify the floods, the destructive power of nature is unleashed. Villages and sometimes entire districts are washed away, and hundreds of thousands or even millions of people are left homeless. Many die in the most severe flooding, particularly children. Because we lack the major resources it would take to manage and control the flooding (the way the Dutch have controlled the high seas that threaten their own low-lying country), these periodic disasters have helped perpetuate the poverty of Bangladesh, as our people must spend years simply rebuilding after each inundation.

Highlight (Yellow) | Location 3640

No one who cares about humanity is satisfied with a world in which a few hundred million people enjoy access to all the resources of the planet, while billions more struggle just to survive. Yet, of course, that is exactly the kind of world in which we live today. Consider just a few of the grim statistics concerning economic inequality. According to a study by the World Institute for Development Economics Research at United Nations University, in the year 2000, the richest 1 percent owned 40 percent of the world's assets, and the richest 10 percent owned 85 percent. By contrast, the bottom half of the world population owned barely 1 percent of the planet's assets. Similarly gross inequities exist when we look at income. Five countries—the United States, Japan, Germany, France, and the United Kingdom—contain 13 percent of the world's population and enjoy 45 percent of the world's income. By contrast, three giant countries in the developing world—India, China, and Indonesia—have 42 percent of the world's population but receive only 9 percent of its income. To

Highlight (Yellow) | Location 3756

I strongly feel that we need a parallel voice in the marketplace, offering consumers a different set of messages—messages like: • Think about whether you really need it! • The more you buy, the more likely it is that you are exhausting earth's nonrenewable resources. • Check the packaging—is it wasteful? • Buy from a company that will take back your last purchase and recycle it. • Create a socially responsible home. • Are you spending like a citizen of the world?

Highlight (Yellow) | Location 3909

We can always make educated guesses about what the future holds for the nations of the developing world. But past experience shows that, when countries are ripe for change, they can improve far faster than our educated guesses suggest. In particular, dramatic changes in technology are driving today's ultra-rapid rate of change. In the past, it took entire generations for social and political changes to impact people's thinking. Now new ideas can spread across the globe not in years but in months, even days, even seconds.

Highlight (Yellow) | Location 3922

Let me give a wish list of my dream world that I would like to see emerge by 2050. These are my dreams, but I hope that many of my dreams will coincide with yours. I am sure I would love many of the dreams on your list so much that I would make them my dreams too. Here is my list: • There will be no poor people, no beggars, no homeless people, no street children anywhere in the world. Every country will have its own poverty museum. The global poverty museum will be located in the country that is the last to come out of poverty. • There will be no passports and no visas for anybody anywhere in the world. All people will be truly global citizens of equal

status. • There will be no war, no war preparations, and no military establishment to fight wars. There will be no nuclear weapons or any other weapons of mass destruction. • There will be no more incurable diseases, from cancer to AIDS, anywhere in the world. Disease will become a very rare phenomenon subject to immediate and effective treatment. High-quality healthcare will be available to everyone. Infant mortality and maternal mortality will be things of the past. • There will be a global education system accessible to all from anywhere in the world. All children will experience fun and excitement in learning and growing up. All children will grow up as caring and sharing persons, believing that their own development should be consistent with the development of others in the world. • The global economic system will encourage individuals, businesses, and institutions to share their prosperity and participate actively in bringing prosperity to others, making income inequality an irrelevant issue. “Unemployment” and “welfare” will be unheard of. • Social business will be a substantial part of the business world. • There will be only one global currency. Coins and paper currency will be gone. • Technology will be available with which all secret bank accounts and transactions of politicians, government officials, business people, intelligence agencies, underworld organizations, and terrorist groups can be easily detected and monitored. • State-of-the art financial services of every kind will be available to every person in the world. • All people will be committed to maintaining a sustainable lifestyle based on appropriate technologies. Sun, water, and wind will be the main sources of power. • Humans will be able to forecast earthquakes, cyclones, tsunamis, and other natural disasters precisely and in plenty of time to minimize damage and loss of life. • There will be no discrimination of any kind, whether based on race, color, religion, gender, sexual orientation, political belief, language, culture, or any other factor. • There will be no need of paper and therefore no need to cut down trees. There will be biodegradable reusable synthetic papers, in cases where “paper” is absolutely needed. • Basic connectivity will be wireless and nearly costless. • Everybody will read and hear everything in his own language. Technology will make it possible for a person to speak, read, and write in his own language while the listener will hear and the reader will read the message in his own language. Software and gadgets will translate simultaneously as one speaks or downloads any text. One will be able to watch any TV channel from anywhere and hear the words in his own language. • All cultures, ethnic groups, and religions will flourish to their full beauty and creativity, contributing to the magnificent unified orchestra of human society. • All people will enjoy an environment of continuous innovation, restructuring of institutions, and revisiting of concepts and ideas. • All peoples will share a world of peace, harmony, and friendship devoted to expanding the frontiers of human potential.

Highlight (Yellow) | Location 3961

Once we know where we want to go, getting there will be so much easier. Each of us should draw up a wish list of our own—to reflect on what kind of world we would like to see when we retire. Once it is done, we should hang it on our walls to remind us daily whether we are getting closer to the destination. Then we should insist that the drivers of our societies—the political leaders, academic experts, religious teachers, and corporate executives—take us where we want to go. Remember, we each have only one life to live; we must live it our way, and the choice of destination should be ours.

Highlight (Yellow) | Location 4012

for the past several years, and now the Taiwanese magazine Business Weekly has actually announced such a competition. It has raised \$1.5 million to provide

Highlight (Yellow) | Location 4029

If Warren Buffett had asked for my advice, I would have advised him to use part of his money to create a social business whose mission would be to provide affordable, high-quality health insurance to the 47 million Americans without it. If Buffett himself—a business genius with decades of experience in the insurance industry—were involved in designing this social business, anybody can easily guess the outcome: The company would achieve a resounding success, and Buffett would be remembered in the history of American health care.

Highlight (Yellow) | Location 4050

Poverty exists because we've built our philosophical framework on assumptions that underestimate human capacities. We've designed concepts that are too narrow—our concept of business (which makes profit the only viable human motive), our concept of credit-worthiness (which automatically eliminates the poor), our concept of entrepreneurship (which ignores the creativity of the majority of people), and our concept of employment (which relegates humans to passive receptacles rather than active creators). And we've developed institutions that are half-complete at best—like our banking and economic systems, which ignore half the world. Poverty exists because of these intellectual failures rather than because of any lack of capability on the part of people. All human beings have the inner capacity not only to care for themselves but also to contribute to increasing the well-being of the world as whole. Some get the chance to explore their potential to some degree. But many never get any opportunity to unwrap this wonderful gift they were born with. They die with their gifts unexplored, and the world is deprived of all they could have done.

Highlight (Yellow) | Location 4446

You may contact Professor Yunus and the Grameen Bank at: Professor Muhammad Yunus Grameen Bank Mirpur Two Dhaka 1216 Bangladesh Fax: 8802-8013559 E-mail: yunus@grameen.net Website: www.grameen.com
