

*Discurso de investidura como Doctor "Honoris Causa" del
Excmo. Sr. D. Muhammad Yunus*

20 de octubre de 2004

I am very grateful to you for giving me this wonderful honour to receive the honorary degree from your prestigious institution. I am overwhelmed by your gesture. By honouring me you give recognition to our work and vision. It helps us tremendously in carrying out our mission to eliminate poverty from this world.

Twenty-eight Years of Grameen.

Grameen Bank has completed its twenty-eight years. It has been a long journey. When I began this journey I did not plan on making a wave. I was trying to solve a simple local problem. At least that's what I thought. I was shocked to see how poor people in the village next door to the university where I used to teach, suffered because they could not come up with small amount of working capital. Amount they needed was less than a dollar per person. They could get that money only against extremely unfair terms. They were required to sell the goods to the lender at the price set arbitrarily by him.

In 1976, I lent \$ 27 to 42 people to help them get out of these unfair deals. People who received my money were very happy. Seeing how easy it was to make so many people so happy with such a small amount of money, I thought I should work out a way to find money for them in a permanent basis. So I went to the bank to arrange loans for them. Bank said they cannot give loans to the poor people because they are not creditworthy.

So I thought I should take upon myself to find out whether their conclusion was right. I offered myself as a guarantor and took loans for the poor people. Tried some simple ways of handling these loans. They worked. Everybody paid back their loans.

This triggered a whole series of experimentation - from one village to 5 villages, then to 20 villages, fifty villages, hundred villages. Every time it worked. But conventional banks did not want to change their minds.

Finally, in 1983, we created a bank of our own.

Poor can Borrow, Invest, Save And Change their Lives

Since 1976, we have been struggling to convince the world that what we are doing is not only a serious business by itself, but it also opens up endless

possibilities for the poor by creating self-employment opportunities. We have been arguing that it is absolutely wrong of the financial institutions to reject the poor by assuming that they are not creditworthy. We have demonstrated umpteen times that not only they are creditworthy, in many countries they are more creditworthy than the rich. We have demonstrated that banking can be done without collateral, without legal instruments, without group guarantee or joint-liability. We have demonstrated that the poor can borrow, invest, and improve their income. They can save and even build their own pension funds. They can build houses with bank financing, send their children to pursue higher education with student loans.

Grameen Bank not only lends money to the poor it is also owned by the borrowers themselves. At present there are 3.8 million borrowers in Grameen Bank, 96 per cent of whom are women. Currently it lends out nearly half a billion US dollars a year. Its repayment rate is 99 per cent. It is financially self-reliant. It does not take any loan or grant from any source. All its funds come from the deposits it collects from the borrowers and non-borrowers. It routinely makes profit.

To encourage the children of the borrowers to stay in school and perform well in schools, Grameen Bank offers over 6,500 scholarships each year to these children. Grameen Bank gives student loans to students who are in professional schools to become doctors, engineers, lawyers, scientists, etc.

Beggars Can Turn to Business

Many critics of micro-credit have been telling the world that while micro-credit is a good intervention for the poor in higher layers of poverty, it is of no use to the bottom poor. We have been arguing that credit should be accepted as a human right. This position of ours makes it a human right for the bottom poor too. We encourage and support every conceivable intervention to help the poor fight out of poverty. Availability of microcredit to the poor should not discourage or slow down any other interventions. Micro-credit is an intervention which brings better mileage to all other interventions. Microcredit helps all other interventions work better. Grameen Village Phone is an example. It brings information technology in the hand of the poor women, and turns them into telephone-ladies in the villages.

To explode the myth that microcredit does not work for the bottom poor Grameen Bank this year has launched a programme to give loans exclusively to beggars, particularly generational beggars. We are offering an option to the beggars. We invite them to consider carrying collection of popular consumer items, financed by Grameen Bank, when they go out to beg from the rural households. They can do both begging and selling at their convenience. If their selling activity picks up, they may quit begging and focus on selling. Over 18,000 beggars have already joined the programme. We are expecting this number to exceed 25,000 by the end of the year. Typical loan to a beggar amounts to US \$ 9.

Beggars who do not have limbs, cannot go house to house, do the begging at a fixed spot with a beggar's bowl in front. We are inviting them to keep some soft drinks, cookies, fruits etc next to them, and give their patrons an option --- to throw in a coin into the beggar's bowl or buy something, or do both.

We have given telephone loans to some beggars to turn them into telephone-ladies. When they find it difficult to operate the business, we help them hire someone or go into partnership with someone who can help run the business better.

I am very happy to report that the beggars are responding to the programme enthusiastically. If a significant number of beggars quit begging within a year or so, this would be a big demonstration of the inherent capacity of the poor people, even the beggars, to overcome their problems with their own abilities if only financial services are made available to them. If there are additional interventions, they will only go to make better enabling environment for the beggars. There is absolutely no reason why financial services should be denied to the beggars.

Support From The Queen of Spain

Grameen Bank has drawn world attention over years. Grameen type microcredit programmes are being created all over the world, both in the poor countries and the rich countries. Grameen has won many friends in the process who supported our idea and helped us spread the idea. But none compares with the leadership and support we have received from Her Majesty the Queen of Spain. She has travelled all over the world to help microcredit expand in all the continents. Global microcredit movement is immensely grateful to her for her leadership.

A new development in Spain makes me feel very enthusiastic. A new institution has been set up in Spain under the name of Foundation Latino Grameen or FLAG, to popularise and assist set up Grameen programmes in the Latin American countries. This can play a significant role, with support from the people of Spain, in making credit available to the poor in Latin America.

Poverty Should Find Its Place Only in the Museums

I strongly feel that we can create a poverty-free world. Basic ingredient of overcoming poverty is packed inside each poor person. All we need to do is to help the person to unleash this energy and creativity. Once this can be done, poverty will disappear very fast. Only place in the world where poverty may exist will be in the poverty museums, no longer in human society.

Let US Create New Type of Business --- Social Business

We need to reconceptualise the business world to make sure it contributes to the creation of a humane society, not aggravate the problems around us. We need to recognise two types of businesses and offer equal opportunities to both. These two types of business are: (a) business to make money, i.e. conventional business, and (b) business to do good to the people, or social business.

Social business enterprises are a new kind of non-loss organisations which aim at solving social, health, and environmental problems utilising the market mechanism. We need to give opportunities to the social business entrepreneurs similar to the institutional and policy support system that the world has built over the years for the conventional businesses. One such new institution to help the social business entrepreneurs will be the creation of "social stock-market" to bring the social business entrepreneurs and social investors to come in contact with each other and solve the problem of finding investment money for this new type of business.

There are many other things that need to be created, such as, social venture capital, social rating agencies, methodology of evaluating successes and failures of the social business enterprises, training social MBAs, etc.

Our Knowledge Base About People is Thin

Our knowledge base about people and their interactions is still very inadequate. I believe that each individual person is very important. Each person has tremendous potential. S/he alone can influence the lives of others within communities, nations, within and beyond his/her own time.

Each of us has much more hidden inside of us than what we have had a chance to explore so far. Unless we create enabling environment to discover the limits of our potential - we will never know what we have inside each of us.

Grameen has given me a faith; an unshakable faith in the creativity of human beings. That leads me to believe that human beings are not born to suffer the misery of hunger and poverty. They suffer now and they did in the past because we turn our head away from this issue.

No turning away of our heads any more. In 2000, nations of the world got together and adopted the millennium development goal to reduce the number of poor people in the world by half by 2015. It is the most courageous decision that the humankind has ever taken in its history about their fellow human beings. Now it is our responsibility to engage ourselves in the full preparations to make sure that we do reduce poverty by half by 2015.

Let us monitor our progress every month, country by country, district by district, city by city, village by village and work hard to achieve the millennium development goal. Let us concentrate on sharpening our tools, designing institutions and policies to make it happen.

Thank you for honouring me. By honouring me you honour the millions of people who are waiting to put in all the hard work in the world to bring dignity to themselves and to their children.

Thank you.