

Yunus: Take off your Glasses, See World through a Social Lens

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Professor Muhammad Yunus, popularly known as the father of microfinance, is singing a different tune. It's in harmony with his old ditty about microfinance, and empowering poor women. But, this time, Professor Yunus' watch words are "social business." In an hour-long speech on Monday at the First Responsibility Forum of India in Mumbai, Prof. Yunus spent nearly none of his time talking about his first love—microfinance—and spent all of his time convincing a (mainly) corporate audience of the merits of social business.

Lest you get confused, "social business" should not be mistaken for "social enterprise." In a private lunch with Prof Yunus the next day, he explained that social enterprise can be interpreted as something that is for-profit or non-profit or somewhere in between, and is actually quite unclear. Social business, on the other hand, is clearly a for-profit business that is owned by the employees, and all profit made is given back to them. The owner or investor can be repaid their initial investment, but should receive no dividend.

At this, there was some grumbling in our audience. Corporate players just aren't comfortable with the idea just there, although the very fact that they had given up their day to learn about the concept showed that Indian business leaders are seeking a third way.

Professor Yunus elaborated: "Looking at humans as beings that are only supposed to make money is too one dimensional. If you put on your social business glasses, the world is such an exciting and creative place. We must believe that we can be a different kind of human when we take off the profit-maximizing glasses."

Indeed, he made an interesting suggestion that young graduates think harder about their post-school search for a job. Why think only about finding a job for oneself? Instead, why not see oneself as a creator of jobs.

An interesting thought, no doubt, that truly inverts the pyramid. Indeed, more and more people I speak with are interested in going out on their own... and working as a free agent. If we took that urge just one step further, and thought of ourselves as creators of opportunity for others, it could be world changing. Somehow, without using the loaded, and often intimidating word "entrepreneur," Yunus has suggested a new and dynamic path for new entrants to the job market. If you ask us, this is a great angle.

Prof Yunus also used the platform at the First Responsibility Forum to talk tough about charity. "Charity is not a solution," he said, "it happens once, then not again." The goal of his speech, delivered in a casual, informal way, seemed to be to jar us out of the for-profit or non-profit mindset, and initiate businesses to consider a third way that is neither charity nor CSR. "Charity is an interesting thing," he said. "If I want to give a million dollars, I write a check, but in a social business, I get involved, I give all my experience."

In our "broken system," Yunus said, it's tempting to say, "Let government take care of that. But how can government be expected to clean up all of our selfishness?" Social business is a new direction. It requires selflessness, but has the potential to create jobs in a sustainable way. How? In a future article in Beyond Profit magazine, we'll share with you a few of the ideas that are percolating at the Grameen Creative Lab.

The event was organized and hosted by Nishith Desai Associates, Circ Responsibility, Grameen Creative Lab, and LAVASA.