



Small Farmers, Producers, and Microentrepreneurs Caucus

Plenary Address by
Professor Muhammad Yunus
at the World Summit for
Social Development
Copenhagen, Denmark
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Mr. Chairman and the distinguished delegates:

I bring greetings to you from the two million women borrowers of Grameen Bank in Bangladesh. They wish you to know that they are fortunate to have Grameen Bank to support them. With tiny loans averaging slightly over \$100, one-third of them have already crossed the poverty line with their own efforts and talents.

The remaining two-third will cross the poverty-line within the next five years. All of the Grameen families have increased their family income rapidly, birth rate has declined in these families, nutrition level has significantly increased; over 300,000 of them have built decent houses with Grameen housing loans, installed hand tubewells for pure drinking water, and set up sanitary latrines -- all with Grameen Bank loans.

Grameen Bank started out in 1976, by giving out US\$30 to 42 people. Eighteen years later, Grameen disbursed US\$385 million in 1994 alone. Projected disbursement in 1995 exceeds half a billion US dollars.

Graméen borrowers have demonstrated how good the poor are in paying back bank loans. They deserve to be rated as top-class clients by any banking standard. But the conventional banks still do not consider the poor as credit-worthy. Will it be wrong now to say that the conventional banks are not people-worthy?

Mr. Chairman:

If this Social Summit is taking the challenge of poverty-alleviation seriously, then the task would be to create people-worthy banks, both in the poor and the rich countries, to establish credit as a human right.

Many among us talk about poverty alleviation but do not really believe that poverty alleviation is a feasible proposition. Seeing what is happening among Grameen borrowers, non-believers will easily turn into firm believers. I am totally convinced



that the poverty alleviation is very much a do-able proposition. If we can create a global commitment, we can definitively create a poverty-free world within the next fifty years.

The poor are completely capable of changing their own lives with their own efforts, provided barriers which are put around them by the existing system are removed. All people are endowed with incredible potentials. But, for the poor and the small producers these potentials remain unexplored.

If the bottom fifty percent of the world population, i.e., the poor and the small producers, are allowed to bring out their productivity, ingenuity, and creativity -- the world will be a better place for all.

Mr. Chairman:

In the name of "development", we have invested large sums of money over the past few decades. But they hardly touched the lives of the bottom fifty percent of our people.

In this Social Summit, let us all agree that we shall not accept any investment as development expenditure unless it touches the lives of the bottom fifty percent of the people.

I urge the taxpayers in the donor countries to make sure that their money directly benefits the bottom fifty percent in the recipient countries.

Poverty has not been created by the poor. It is created by the institutions and policies we have built around us. Unless these are redesigned, and alternative institutions and policies are made, poverty will continue to flourish.

My country, Bangladesh, has received US\$27 billion in foreign assistance over the last 23 years. But you don't see the imprint of this money on the faces of the poor.

Where did all this money go? Research findings tell us: 75 percent of their money was spent in donor countries to pay for commodities, equipment, consultants, experts, and contractors. The remaining 25 percent spent in Bangladesh went to local contractors, local suppliers, local consultants, and bureaucracy. What did the bottom fifty per cent get out of it? I am sure you can guess.

Of course, everything was justified in the name of the poor people.

Mr. Chairman:

The policies you endorse here must empower -- not ignore -- the bottom people, the poor and the small producers, who are the engines of sustainable economic progress and stakeholders in the civil society.

The Small Farmers, Producers, and Microentrepreneurs Caucus urges you, Mr. Chairman, to consider the language it has developed to

fill the current void in the Summit document where the poor and the small producers are concerned.

The poor and the small producers are not asking for charity or handouts. They are asking for the same opportunities as enjoyed by other segments of the society.

Mr. Chairman:

Let us put our faith in the capabilities of individual human beings. Let us accept the fact each human being is capable of ensuring his/her human dignity if we only create the supportive environment.

Let us commit ourselves to creating a poverty-free world in the next fifty years. Let us promise that we shall not let a single family on this planet suffer from the disgrace of poverty.

Thank you, Mr. Chairman.

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