

A Review of Muhammad Yunus’ A World of Three Zeros: The New Economics of Zero Poverty, Zero Unemployment and Zero Net Carbon Emissions

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The world-renowned economist, whose previous book titled, “The Banker to the Poor” has been followed by many social enthusiasts, cooperative advocates, and entrepreneurs. In its current off-the-press release, Prof Muhammad Yunus wrote “**A World of Three Zeros**”, *The New Economics of Zero Poverty, Zero Unemployment and Zero Net Carbon Emissions*. They are important must-reads for development workers and leaders, needless to say, contextualizing the cases for ASEAN entrepreneur with a deeper sense of look into the Grameen bank system and other initiatives which are truly oriental but could significantly play an important global role in helping people help themselves. Muhammad Yunus hails from Bangladesh. He is the founder of the Grameen Bank System and the father of microcredit, an economic system or peoples movement that has been helping in uplifting the lives of poor families all over the world via micro financing schemes. Yunus and the Grameen Bank are winners of the 2006 Nobel Peace prize. He also won the Presidential Medal of Freedom in 2009 and the Congressional Gold medal in 2013.

Reviews from his book included that from no less than President Barack Obama. “Muhammad Yunus was just trying to help a village, but he somehow managed to change the world” and Yunus has shown himself to be a better leader who managed to translate visions into practical actions for the benefit of millions of people, not only in Bangladesh, but also in so many countries.” -from the Norwegian Nobel Committee.

In his book, a World of Three Zeros, he criticized the capitalist system and proposed ingenious ways of funding “social businesses” or peoples ventures and start pump-priming these initiatives that would later on help alleviate poverty and provide employment to many poor people. I was given an opportune time to meet and albeit converse with the author himself, as he was busy signing autographs at the Social Business Youth

Summit at the College of St. Benilde of the De La Salle University in Manila. My colleague, Associate Prof. Mandy Felicia of the Department of Cooperatives and Social Development and I were so excited because we were invited to this event. What was also interesting to note is that one of our BS Cooperatives program graduate, Dave, works for the social development and cooperative programs that sponsored the event and he has been a local development partner of the Yunus Group Center. We took the time to converse with Prof. Muhammad Yunus while he signed autographs, it was a brief but a very inspiring moment.

THE CHALLENGES, FAILURES OF CAPITALISM, AND INEQUALITY

Yunus presented the failures of capitalism, problems of inequality and unemployment, particularly youth unemployment, and presupposes the role of entrepreneurship to address the issue. In 2010, Oxford Famine reported that the world's wealthiest people, around 388 of them owned more than the entire bottom of the world's population.

Realistically, the problem aggravated, in 2017 when OxFam announced that there were 3.6 billion people who are underprivileged. Prof. Yunus said that "Since the Great Recession of 2008-2009, people around the world have developed a deepening sense that something is terribly wrong with our economic system. Youth unemployment is a particularly striking part of the story. In Europe, unemployment among people under age 25 is at 18.6% (as of December 2016). In some countries, including Greece, Spain, and Italy, the rate is over 40%. In the United States, a significant number of young people have become discouraged and dropped out of the workforce, leading to rosier unemployment statistics that understate the scope of the real problem." Furthermore, the presence of research shows that youth unemployment is not a temporary problem. "Young people who spend several years without work, or working in low-paying jobs with no growth prospects, suffer lifelong consequences. No matter how hard they work, they are unlikely to ever make their way onto the fast track of jobs that pay well, provide lifetime security, and create opportunities for the next generation. The issue of unemployment and underemployment help determine an individual's lifetime income and are two major contributing factors to the rise of economic inequality, which, as I have observed, poses a serious threat to the future of the world. The psychological and social

impact is just as severe. Unemployment means throwing a fully capable person into the trash-- a particularly cruel form of punishment." He stresses the massive failure of the economic system, "A human being is born to be active, creative, energetic, and problem solver, always seeking new ways to unleash his or her unlimited potential. Why should we allow anybody to unplug a creative human being and deny that person the opportunity to use his or her amazing capacities? Yet today, I see millions of young people in the United States and Europe being pushed into forced idleness. Thanks to a massive failure of the economic system. As a result, a generation of young people is burdened with a sense of hopelessness." In my visits with young people throughout the world, I've encountered endless numbers of bright, energetic women and men who feel stranded by the limitations of today's economy and our flawed policies. Unemployed or underemployed, they can't afford to buy homes or start families-- much less to repay the tens of thousands of dollars in student loans they often carry. They wonder what they have done wrong and why the world seems to have no use for their talents. No wonder economists like Spain's Ludovic Subran have lamented, "An entire generation is being sacrificed."

The International Labor Organization (ILO) estimates that the labor force will go through the addition of young people by a total of about 400 million people in the next decade. This adds up to what the ILO campaigns for the "urgent challenge" of creating 400 million productive jobs over the next decade- 40 million per year. The problem is made worse by trends such as automation, the spread of robotic technology, and advances in artificial intelligence, all of which are making it possible for companies to eliminate workers in many fields without diminishing output. In addition, people are living longer, healthier lives, which means they both want and need to work longer to support themselves, putting additional pressure on the employment rolls. It seems likely that in the years to come, politicians and governments will become more and more overwhelmed by the issues of job creation and unemployment management.

Prof Yunus further expressed the problem of unemployment but explained that the youth are not the problem, it is therefore, the capitalist system that is the problem. "Of course, today's young people who are struggling to find decent jobs have done nothing wrong-- just as the poor women around the world who are trapped in poverty have done nothing wrong. In both cases, the economic system that we designed and have

been following with total trust is to blame-- and that needs to change. This problem of unemployment is not created by the unemployed people themselves. It is created by our grossly flawed conceptual framework, which has drilled into our heads that people are born to work for a few fortunate capitalists. Since these few job creators are the drivers of the economy, according to the present theory, all policies and institutions are built for them. If they don't hire you, you are finished. What a misreading of humans' great possibility and destiny! What an insult to human beings who are packed with unlimited creative capacity!"

The correlation of unemployment with that of our education system has been viewed as he emphasized, "Our education system reflects this same economic theory. It is built on the assumption that students should work hard and get good grades so that they can get good jobs from the corporations that are assumed to be the drivers of all economic activity and growth. Globally, big universities pride themselves on the extent to which their students and graduates appear to have at the graduation ceremonies with appointment letters in their pockets. There is nothing wrong with people working for a company for all their lives, or part of their lives. But there is something wrong with an economic system that blindly ignores the existence of a natural and attractive alternative, as Yunus pointed out. "Young people are never told that they are all born with two choices, and that they continue to have these two choices throughout their lives: they can be job seekers or job creators-- entrepreneurs in their own right rather than relying on the favor of a job from other entrepreneurs." "We cannot just sit and watch a whole generation of young people fall through the cracks of economic theory because are too timid to question the wisdom of our theoreticians. We have to redesign our theory by recognizing the limitless capacity of a human being, instead of relying on the "invisible hand of the market" to solve all our problems. We have to wake up to the fact that the "invisible hand" is invisible because it does not exist--or, if it does exist, it is dedicated to serving the rich, invisibly."

Furthermore, he stressed that "In the current economic system, theoreticians have never offered better solutions for unemployment than promoting economic growth through investments in infrastructure building or make-work government programs, along with state charity designed to alleviate the suffering of those in need. These policies can provide partial solutions to the problem, but they fail to address the real, underlying issue.

Of course, when people are hurting because of unemployment, government help to relieve them is necessary and important. But immediately after that, the much higher responsibility of society-- and of the state that represents it-- is to help people escape dependence on the state as possible. Dependence diminishes human beings. Our mission on this planet is to make it a better place for everybody-- not to tolerate the existence of a dependent underclass without the freedom and independence that make life truly worth living. We have the technology and the economic methodology needed to bring an end to the scourge of unemployment. All that is lacking is a framework and the will."

Case Studies of Social Business and New Entrepreneurs:

- Human Harbor Corporation (*Japan, 2012*)
- Nobin Program (*Bangladesh, 2001*)
- Grameen Bank System (*Bangladesh, 1976*)

Prof. Yunus expounded that there are **ways to overcome barriers to work through social businesses and** discussed a number of cases which are packed with lessons to draw from. *"One of the myths that feeds the unemployment problem is the idea that some people are incapable of producing economic value. These people supposedly have flaws or failings that make them worthless and deserving of being discarded like so much trash. The myth says they are fit only to receive charity or government handouts. Some people need help in overcoming barriers that make it harder for them to do worthwhile work. Some have physical or psychological disabilities that require some support-- for example, special tools or machines adapted to their circumstances, or modified work schedules suitable for their conditions. Some workers whose jobs have been eliminated due to automation need training to help them develop new skills. Problems like these should never have been allowed to create a large, permanent class of unemployed people like that we see in most countries around the world. The reality is that almost all human beings are perfectly capable of doing worthwhile work that contributes value to society while letting them support themselves and their families-- especially when they are freed from the demand of generating large, ever-growing profits for a corporate master. Today there are social businesses demonstrating that this is true. One example is Human Harbor Corporation, established in Fukuoka, Japan, in December 2012."*

"I first heard about Human Harbor during a visit to Kyushu University in 2012, when a social business design competition was held by the university's Yunus & Shiiki Social Business Research Center. One of the

most promising designs was presented by Isao Soejima, who was working as a prison probation officer. Soejima was troubled by the plight of ex-prisoners, who faced serious obstacles in finding work after they were released from prison-- obstacles mostly created by society itself. Excluded from ordinary jobs by fear and prejudice, men return to crime, using contracts in the underworld that they established while in prison. Like most countries, Japan must cope with a high percentage of ex-prisoners who wind back in prison after committing fresh crimes; statistics show that the national recidivism rate has recently risen from around 30 percent to over 46 percent. Soejima wanted to create a social business to address this problem. In partnership with an ex-prisoner named Atsushi Takayama, he founded Human Harbor Corporation (HH), the first Yunus Social Business in Japan. HH tackles two social problems: it collects and recycles industrial waste, thereby reducing the problem of pollution and environmental damage, and in the process, it employs a number of supposedly "unemployable" people recently released from prison. Soejima's business plan has been working. HH quickly became self-sustaining, reaching revenues of US\$2.4 million in 2016 and aiming for revenues of US\$3.5 million in 2017. The company employs 26 people, 9 of them ex-prisoners, in three locations-- Fukuoka, Tokyo, and Osaka. One of HH's employees, Taro Tachibana, left the company in 2015 to start his own waste recycling social business in partnership with HH. Thus, the idea behind HH is already spreading and expanding naturally, the way successful business concepts tend to do."

"For years, I was troubled by the problem of rampant unemployment among the second generation of Grameen borrowers. This new generation had gone to school; many had even enjoyed higher education. Still, many thousands of them could not find jobs. Finally, I went ahead with my solution. It is a practical solution to the unemployment problem that opens the doors of economic opportunity for young people in Bangladesh. As I've explained, Grameen Bank and the financial system known as microcredit started out with a tiny initiative in the village of Jobra in 1976. Microcredit has since grown into a worldwide movement that has helped over 300 million poor families improve their economic circumstances through entrepreneurship. Right from the beginning, Grameen Bank paid attention to some basic issues regarding the poor, paying attention to their awareness of important practices like simple hygiene and proper health care. We supported good lifestyle choices like the habit of saving by making it easy for Grameen borrowers to make deposits into savings accounts. We also

focused intensely on the 2nd generation in the families of borrowers. We encouraged Grameen families to use the meeting place known as Centre House-- a hut in which borrowers assemble to hold their weekly meetings-- as a place of learning for their children. Many local borrowers' groups would pay a local girl or woman a modest salary (usually around 500 *taka*, the equivalent of about \$6), to teach their preschool kids every day. These new neighborhood centers for fun and learning have introduced countless kids to reading and writing, and helped families that might never have experienced classroom learning to overcome their fears about education and instead to embrace it. We also included the commitment of sending every child to school in the basic charter of pledges of the borrowers, famously known as the Sixteen Decisions. These commitments--including number seven, "We shall educate our children and ensure that they can earn to pay for their education" --are chanted by all Grameen Bank borrowers collectively, in every center meeting, week after week, year after year. We launched a campaign to make sure that 100% of the children of Grameen families go to school-- a daring effort in a country where most children of poor families do not go to school-- and we gave scholarships to thousands of students each year to encourage them to continue in school and compete for better performance. When they finished primary school, we encouraged them to go to high school. Most of them did. And when they finished high school, we encouraged them to go to college, introducing a new program of education loans to make higher education available to children from poor village families. Now thousands of students have taken education loans from Grameen Banks to become graduates, doctors, engineers, and professional people. But this achievement led to a new problem. For most of the new graduates, there are no jobs. So, we launched another program. It started with a campaign to redirect the minds of young people from the traditional path of hunting for jobs to one of creating jobs for themselves and others through entrepreneurship. We invited children from Grameen families to repeat the mantra, "We are not job seekers, we are job creators." And to help them turn this belief into a reality, we introduced a new program of offering new-entrepreneur loans from Grameen Bank to support their efforts to create businesses. We started calling the young people who choose that path *nobin udyokata*, which means 'new entrepreneurs' in our Bangla language".

When we first announced the Nobin program in 2001, the volume of business launched was small. Many Grameen parents were reluctant to

let their sons or daughters take more loans while they still had outstanding education loans to repay. Moreover, some Grameen bank staffers were very slow in giving them fresh loans because of the same concern about outstanding loans. To help remedy this problem and to courage more Grameen youth to embrace entrepreneurship, I came up with the idea of creating social business funds outside the Grameen Bank structure to take sole responsibility for financing new entrepreneurs. To implant the ideas of entrepreneurship in the minds of all the stakeholders and to refine the methodology through regular interaction with people from all walks of life, I decided to create an open platform where potential young entrepreneurs could present their business designs. I was hoping that the existence of this platform would encourage young people to come up with business ideas while helping to demonstrate how social business concepts can be applied to concrete social and economic challenges.

These social businesses or enterprise experiments expose the idea that any group of people is capable of useful work. Simply put, every human being is capable of creating his or her own new business space and find a niche in this world, thus providing employment opportunities within its group and communities, given the necessary financial support and capitalization to start up a new social venture.

It is worthy to note that the perseverance of the Yunus Group Center and its passion for working for the poor, thru its Social Business Design Lab, could even work from small villages of Bangladesh and could reach the posh streets of New York and campaigned for micro credit as a tool for promoting entrepreneurship.

TECHNOLOGY FOR THE PEOPLE AND STEPPING STONE TO THE FUTURE

Another equally important idea of the article is about the value of technology. According to Prof Yunus, in today's world, people are the designers and drivers of technology. Technology may be used to liberate all people. "Years ago, I became a believer in the power of information and communication technology." This encouraged the group of Yunus to create a phone company called the Grameen Phone. The objective is to bring the technology to the people. They brought mobile phones to the Grameen villages of Bangladesh. They provided loans to the women, the poor

members of the community, and later on the money they borrowed served as capital for their small businesses. These women became the “telephone ladies in the Villages”, they sell telephone services to the people in the community. The fast service and responses to the needs of the community created another form of entrepreneurship. The services become faster and of course, it generated income for the women. Technology has been instrumental in scaling up the businesses of the women entrepreneurs. Nearly half a million poor women in Bangladesh alleviate their condition via extra income as “telephone ladies’ as local people needed to connect to outside world, to get new information, to connect to distant relatives, overseas family member, and get connected to urban markets as well as get health updates.

Renewable solar technology is another project in which amazing breakthrough have been happening in the recent years. The Grameen Group took advantage of this technology when they innovated a social business to bring solar home systems to rural areas in affordable way. They developed and marketed solar home units, biogas units that converted animal wastes products into fuel for heating, for electricity, and for local environmentally cookstoves.

In January 2013, the Yunus Centre in Dhaka organized the first Social Business Design Laboratories (Design Lab). They attracted business executives, leaders of non-government organizations, academics, students, subject specialists, and social activists. The Design Lab became a success! A lot of participants offer to become investors in social enterprise projects that has been presented at the Social Business Design lab.

By April 2017, nearly sixteen thousand new entrepreneurs had their business plans approved and received advice and guidance as well as US\$21 million in investment funding through the Social Business Design Labs. Although public Design labs are still held monthly, many more in-house Design Labs are held to bring about 1000 business plans per month to the final approval level. By the end of 2017, the number of business plans approved for funding may reach 2000 per month. So far, we have maintained very high quality in our selection and monitoring. Although we are trying to go slowly to ensure quality, we expect to reach 25,000 project approvals with US\$36 million invested in them by the end of 2017.

It is very clear that Prof. Yunus presented that social businesses is an important blood in the society right now. His vision and work are in promoting social business and community enterprises for the poor thru microfinancing. His book is both an expose' and a challenge for people of all walks of life to see the value of social business, to rediscover how those who are not in the mainstream, may actually form themselves into enterprises that may initially be small, but eventually creating opportunities for livelihoods and employment. These small business enterprises are the future of our planet, as it does not intend to harm or abuse the environment, based on its scalability, the solutions to gigantic unemployment problem is found in the hands of entrepreneurs and innovative social businesses, that eventually government and other stakeholders should be able to appreciate and support after all, it would redound to the good of society, in general. It is paramount to remember these are my take from the lessons that I drew from the manuscript of a World of Three Zeroes that:

first, these social businesses are new forms of enterprise based on the value of "selflessness," "self-help," "cooperation, and innovation;"

second, we have to remove the assumption that people are simply job seekers, replace with the new thought that human beings are 'entrepreneurs' and

third, there is a need to re think and reengineer the economic system to make it work efficiently and effectively for the people at the bottom of the economic structure.

Lastly, I share the belief of Muhammad Yunus that the rising generations --- millions of youth today have the ability, talent, energy, and idealism to transform the world. The challenge that has been put forward may be hard in terms of creating the new economic system that is building up the initial momentum behind change. The multiplier effect of the successes of social enterprises and its impact to poor communities is gaining ground and eventually many will join the cause.