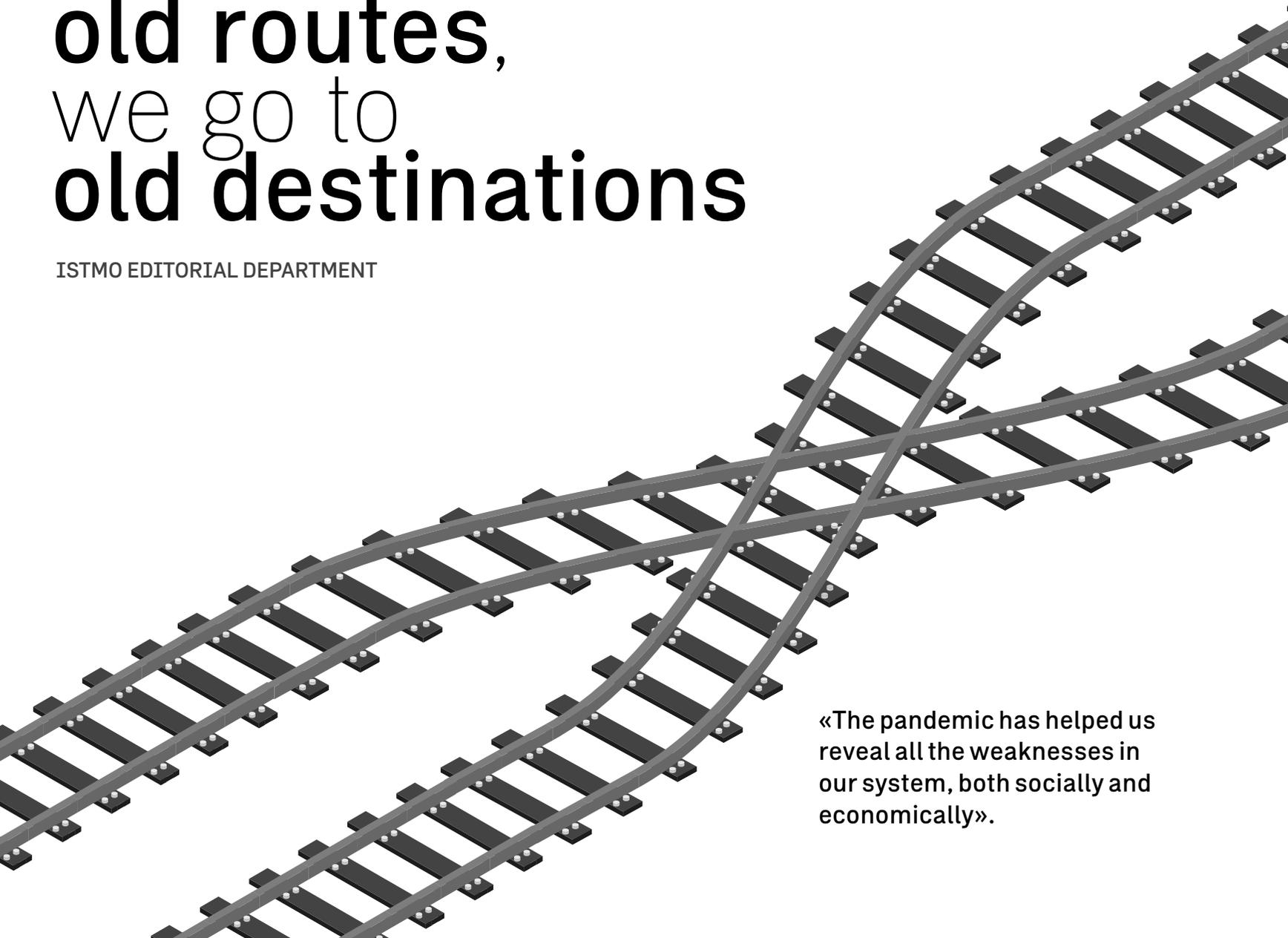


MUHAMMAD YUNUS

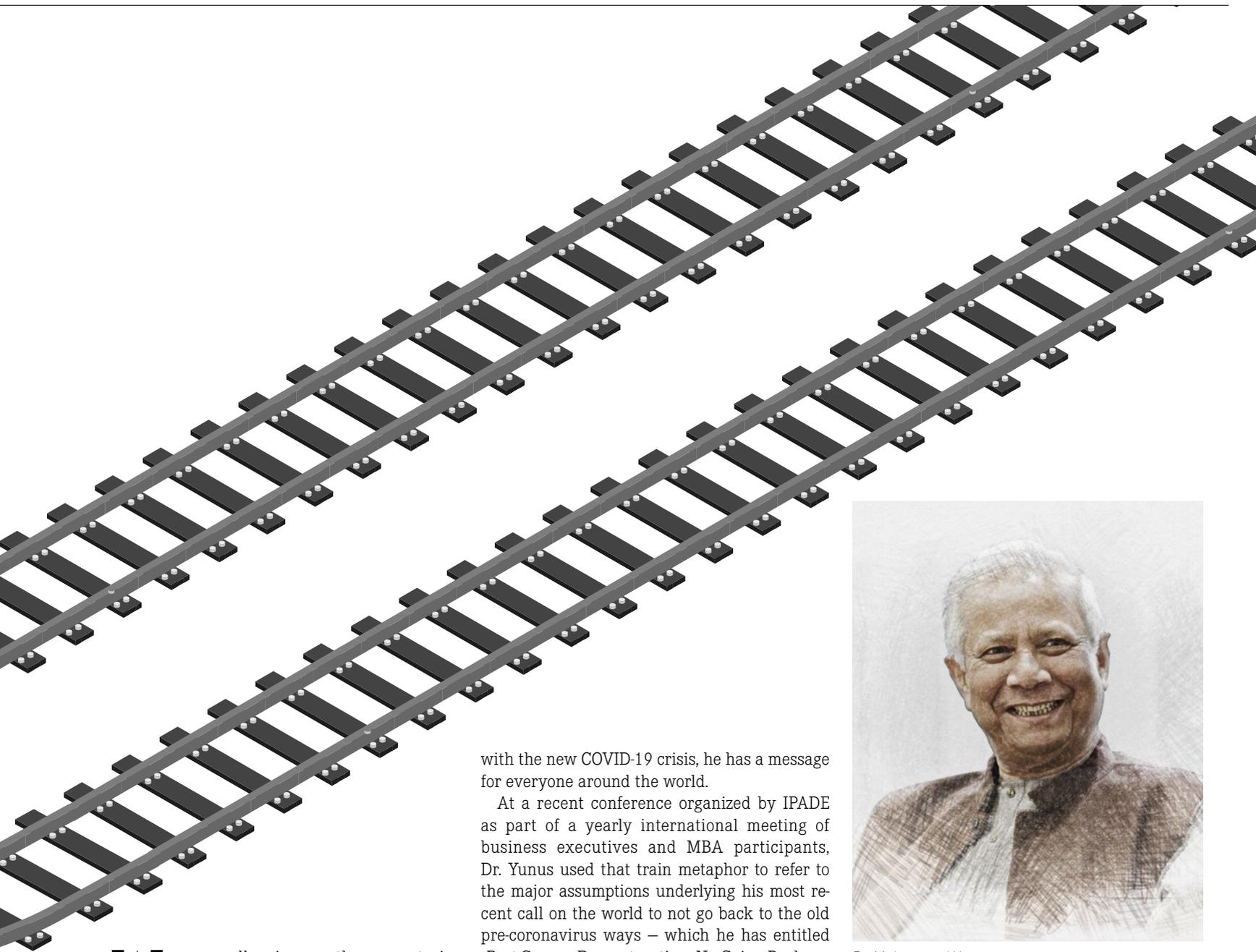
A Post-Corona World

If we take the
old routes,
we go to
old destinations

ISTMO EDITORIAL DEPARTMENT



«The pandemic has helped us reveal all the weaknesses in our system, both socially and economically».



We were all going on the same train, without minding, perhaps, where we were going. Some few were prospering, and quite a lot were struggling to survive. And then, suddenly and unexpectedly, the train has stopped. All at once, people are faced with the possibility of getting off the train. But the train was going somewhere, right? Some few start asking where the train was going, and quite a lot of them start demanding to put the train back in motion immediately. Then, Dr. Muhammad Yunus emerges, «Wait!» he says, «Do we actually want to remain on this train?» This train is headed for catastrophe.

The 2006 Nobel Peace Prize Laureate and micro-credit promoter, Muhamad Yunus, has spent decades creating conditions to enable social and economic development from below, and now

with the new COVID-19 crisis, he has a message for everyone around the world.

At a recent conference organized by IPADE as part of a yearly international meeting of business executives and MBA participants, Dr. Yunus used that train metaphor to refer to the major assumptions underlying his most recent call on the world to not go back to the old pre-coronavirus ways – which he has entitled «Post-Corona Reconstruction: No Going Back.»

«We were caught unaware, unprepared, and disorganized,» said Dr. Yunus to refer to the current crisis caused by COVID-19, and the pandemic has «revealed how divided we were.» With a global reaction that Dr. Yunus described as tribal, the world has come to an unexpected stop that can potentially lead us to think about how we want to design the way our world works, as the pandemic has helped us reveal all the weaknesses in our system, both socially and economically. But particular attention must be paid, he insisted, to the group that makes up more than half of the world's population: the daily income earners. «Economists have dismissed them by calling them the informal sector,» but these people have the driving power to introduce a new system that we can design



Dr. Muhammad Yunus is a Bangladeshi social entrepreneur, banker, economist, and civil society leader who was awarded the Nobel Peace Prize 2006.

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more consciously and more carefully before the stampede of old ideas rushes right back at us as soon as we fully restart all economic activities.

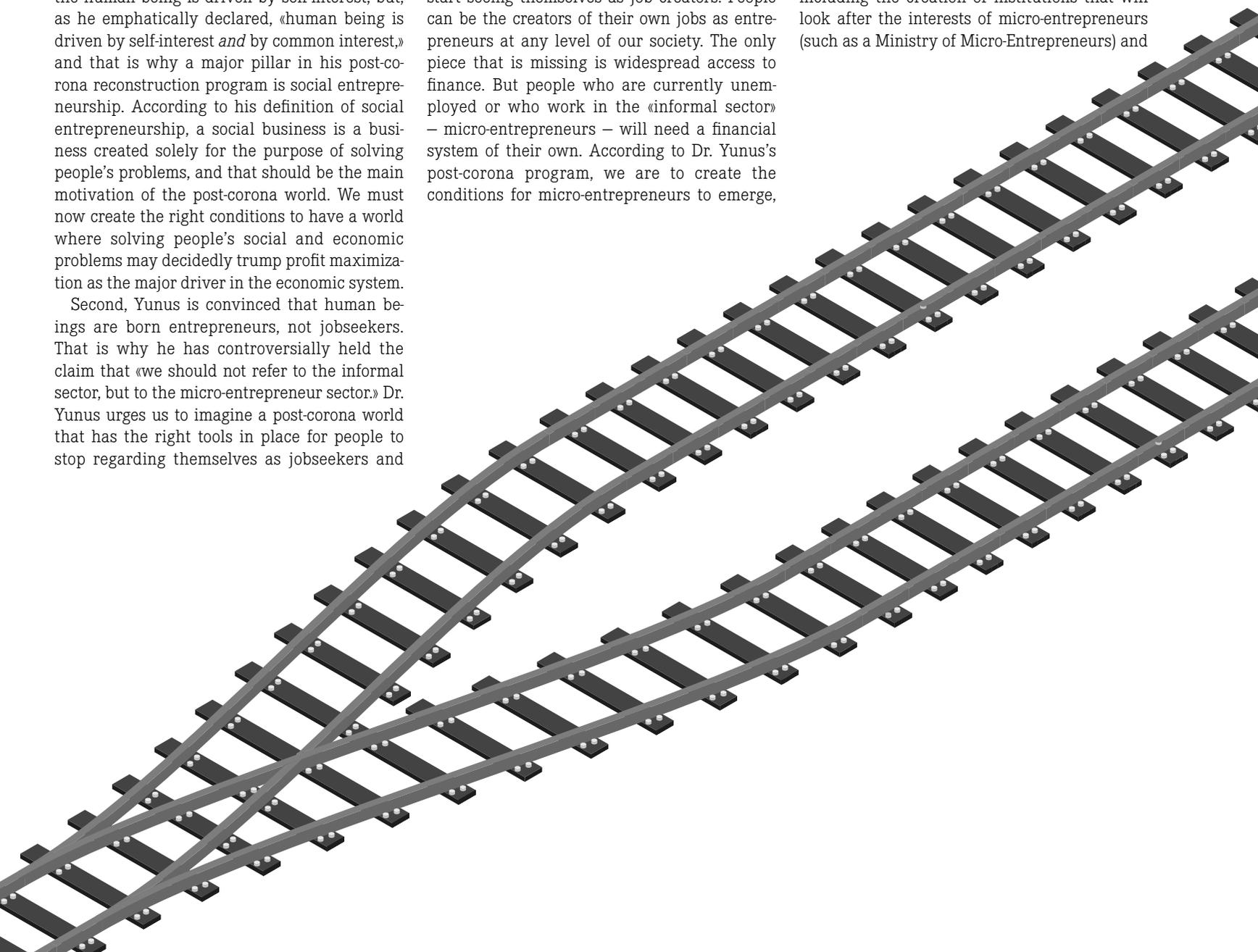
Dr. Yunus has extensive experience in developing models to increase the poor's access to finance and to financial markets, and the principles that have guided him in that endeavor are now at the core of his call for us to see the current situation as a clean slate to devise the new rules of the game. First, Yunus agrees with the fundamental assumption of economics that the human being is driven by self-interest, but, as he emphatically declared, «human being is driven by self-interest *and* by common interest,» and that is why a major pillar in his post-corona reconstruction program is social entrepreneurship. According to his definition of social entrepreneurship, a social business is a business created solely for the purpose of solving people's problems, and that should be the main motivation of the post-corona world. We must now create the right conditions to have a world where solving people's social and economic problems may decidedly trump profit maximization as the major driver in the economic system.

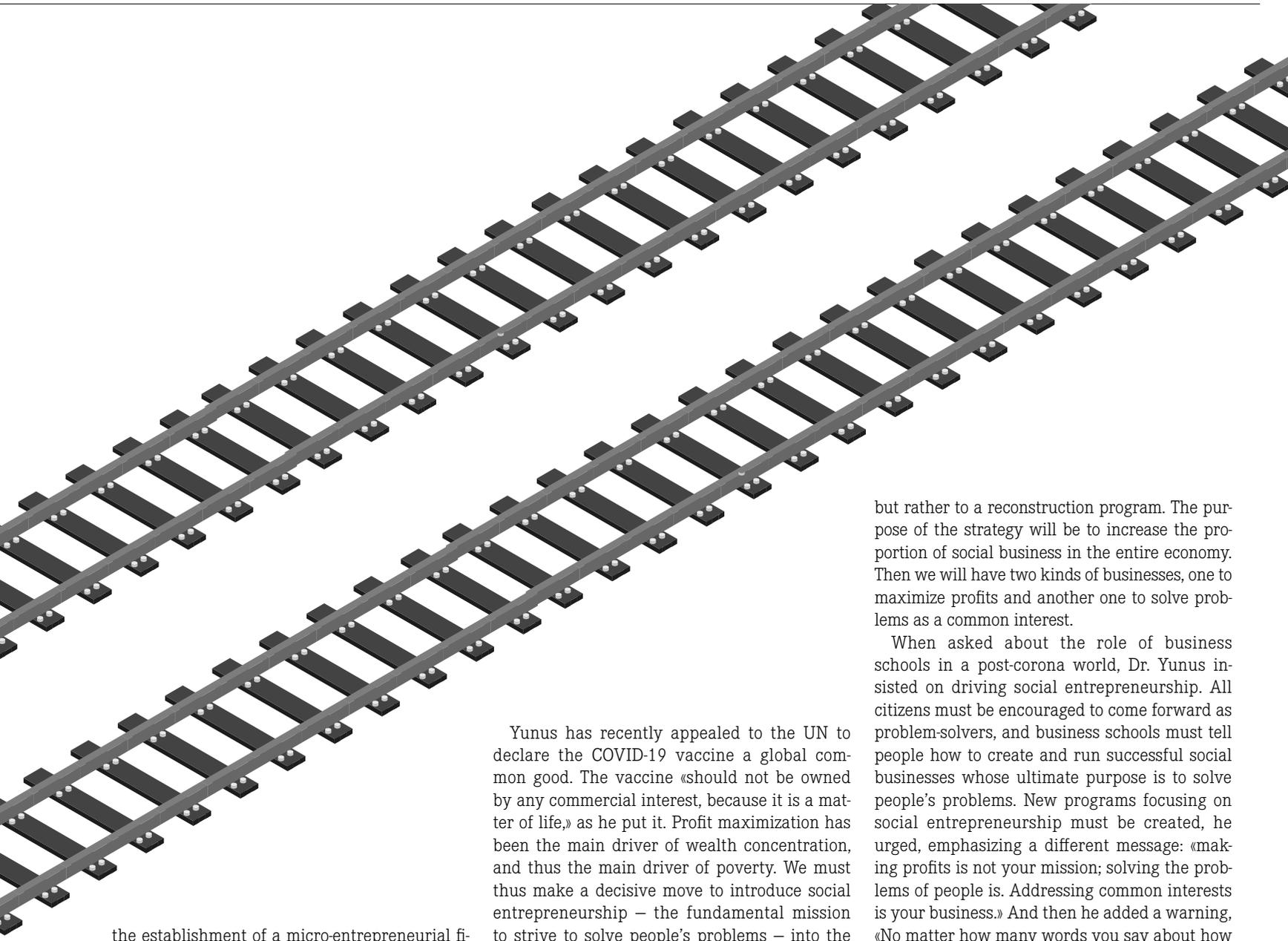
Second, Yunus is convinced that human beings are born entrepreneurs, not jobseekers. That is why he has controversially held the claim that «we should not refer to the informal sector, but to the micro-entrepreneur sector.» Dr. Yunus urges us to imagine a post-corona world that has the right tools in place for people to stop regarding themselves as jobseekers and

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start seeing themselves as job creators. People can be the creators of their own jobs as entrepreneurs at any level of our society. The only piece that is missing is widespread access to finance. But people who are currently unemployed or who work in the «informal sector» – micro-entrepreneurs – will need a financial system of their own. According to Dr. Yunus's post-corona program, we are to create the conditions for micro-entrepreneurs to emerge,

including the creation of institutions that will look after the interests of micro-entrepreneurs (such as a Ministry of Micro-Entrepreneurs) and





the establishment of a micro-entrepreneurial financial system, with its own investment funds, insurance funds, chamber of commerce, etc.

Third, Yunus maintains that profit maximization is what has created the conditions for the three major problems of our society: global warming, wealth concentration, and unemployment – with the latter increasingly driven by the replacement of workers by Artificial Intelligence. «The pre-corona world was no good to us,» he said as he referred to the opportunity to make a fresh start. But we cannot wait for the crisis to be over. In his post-corona program, he urges the world, «We must plan in the thick of the crisis,» because what has been mostly shut down in this period is the effectiveness of profit maximization. If profit maximization is turned back on, then the golden opportunity we are having right now will have been missed.

Yunus has recently appealed to the UN to declare the COVID-19 vaccine a global common good. The vaccine «should not be owned by any commercial interest, because it is a matter of life,» as he put it. Profit maximization has been the main driver of wealth concentration, and thus the main driver of poverty. We must thus make a decisive move to introduce social entrepreneurship – the fundamental mission to strive to solve people’s problems – into the core of our global economic system. The current pandemic has created an appalling dilemma for the developing world, as governments are being forced to decide whether to protect livelihoods and sacrifice lives, or to protect lives and sacrifice livelihoods. But we should not be forced to face such a dilemma in the future again. There should not be such trade-off, says Dr. Yunus, as «life is unique.»

Dr. Yunus thus calls for a major decision: we are not going back to that train. We will create a world of three zeros: zero wealth concentration, zero net carbon emissions, and zero unemployment. It is a world where wealth will be shared, not concentrated, and where social and environmental consciousness will be at the center of our decision-making. That is why any post-corona program should not refer to a recovery program,

but rather to a reconstruction program. The purpose of the strategy will be to increase the proportion of social business in the entire economy. Then we will have two kinds of businesses, one to maximize profits and another one to solve problems as a common interest.

When asked about the role of business schools in a post-corona world, Dr. Yunus insisted on driving social entrepreneurship. All citizens must be encouraged to come forward as problem-solvers, and business schools must tell people how to create and run successful social businesses whose ultimate purpose is to solve people’s problems. New programs focusing on social entrepreneurship must be created, he urged, emphasizing a different message: «making profits is not your mission; solving the problems of people is. Addressing common interests is your business.» And then he added a warning, «No matter how many words you say about how businesses should be concerned about people, as long as profit maximization becomes the core of it, nothing will happen.»

But such an idea should also spread outside business schools. Dr. Yunus addressed a message to individuals as well. «Be entrepreneurs,» he said, «if everybody becomes an entrepreneur, the problem of wealth concentration will disappear. You are an extremely powerful generation. What do you want to use that power for?»

In the midst of one of the worst crises in recent history, Muhammad Yunus has urged us to answer a deep question: Do we take the world back to where it was before? The train has stopped. Do we get back on the same train? Why would we want to get back at all? «We are grateful the train has stopped,» he said, relieved. «If we take the old routes, we go to old destinations.» </>