

MYTH AND REALITY

Dr Yunus and Nobel Prize

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I have mixed feelings about Dr Yunus's getting this most prestigious award. On the one hand I am happy for him, rather happier for my country. At least more than a billion people globally read, watched and heard this image-boosting news. And I know, the average people do not know or care to know how a particular physicist, chemist, medical-researcher / physician, economist, writer and peacemaker got the Nobel. How many Indians can precisely tell as to why the great Amartya Sen got the prize is a billion dollar question. In this token, Dr Yunus's prize matters most to the bulk of the people in Bangladesh and abroad, NOT what fetched this prize.

I have no problem with that. I also personally believe as I personally know Prof Yunus since our Chittagong University days as colleagues since 1972 that he is not the type who would make money by his project. So where is the problem that I am dead against NGOs and micro-credit?

I was a BIG admirer of *Grameen Bank* up to 1996. After undertaking my book project to work on women and Islam in Bangladesh in early 1996, I spent a few months in Bangladeshi villages doing field work, examining the impact of NGOs (mainly Grameen and BRAC) on the poor villagers, especially women. I also looked into the problem of the ongoing confrontation between NGOs and village mullahs. I interviewed a cross section of the population, reviewed literature, both pro- and anti-Grameen (there are tons of anti-Grameen literature, both in print and web). And by early 1997 I was a changed man.

Later in 2001 and early 2002 I spent two months in villages in Comilla, Sylhet and Dhaka districts, with my students as their supervisor (anthropology and ethnography). My students without my prompting all told me that they found non-Grameen villagers were much better off than those taken Grameen loans. Some villagers proudly asserted: "sir (unfortunately, a very common expression in Bangladesh on part of the poorer sections while addressing urban educated people), we did not allow the Grameen to open its branch in our village. And as a result, we are much better off than some neighbouring villagers, (who are indebted to Grameen) by the grace of Allah."

Most unfortunately, contrary to what Dr Yunus has been telling us, the poorest of the poor simply do not/cannot get Grameen loan as they simply cannot service any loan at 30%, payable in 52 instalments in one year. There is no remission, exemptions or leniency. Defaulters part with tinsheds, utensils, goat and cattle. This came out in so many newspapers in Bangladesh and researchers (even admirers of Grameen) found out on the field.

So, the Grameen borrowers are mainly middle peasants, who had access to micro credit throughout our history. Even the wretched Kabuli (actually Pathan) money lenders in Bengal during the British period used to advance micro credit, collateral free, at 24% interest. None of those money lenders ever got any appreciations from us. Those money lenders rendered tremendous service to the poor during their crisis period—on the eve of their children's wedding or when they were on the verge of starvation during a bad harvest, floods or drought.

Do you know that Rabindra Nath Tagore started a beautiful rural banking system in the 1930s at a village called Patishar in Naogaon district (not far from Hasan Mahmud's ancestral home). Tagore's bank, called *Patishar Bank* is almost an exact replica of Dr Yunus's Grameen Bank (which Dr Yunus never acknowledged). But the beauty of Tagore's bank was that it charged NO INTEREST from the borrowers. Did Tagore deserve another Nobel Prize for this noble gesture at the fag end of his life?

In sum, I do agree with the view that Dr Yunus has a vision and Bangladesh should celebrate this award, but Dr Yunus has failed to understand the implications of importing Monsanto seeds into Bangladesh, giving tax-free privilege to a Norwegian telephone company to rip off Bangladesh and the evil design of the IMF and World bank, who never ever did anything good for the Third World. They have an agenda, which Dr Yunus failed to understand or ignored.

Do you think that it is fair to charge around 28 to 30% interest from the "target group" or the poor borrowers (the poorest don't get the loan at all) while the Grameen Bank gets that capital from western donors interest free or at 2% interest? Do you think Grameen Phone should have paid due income tax to the Bangladesh Government? Do you think NGOs, not good governance, can alleviate and eradicate poverty? I finish by citing Lee Kuan Yew, the father of modern Singapore. He wrote and said in public that had Singapore listened to the IMF and World Bank, by the 1990s Singapore would at best have been at the stage of Sri Lanka in terms of development. Similarly Bangladesh, taking Lee Kuan Yew and Jawaharlal Nehru, the great visionaries of our time as inspirers, should come out of the dictates of donor agencies, including the IMF and World Bank. My opposition to this Nobel Peace Prize to Dr Yunus and Grameen Bank has only one objective: Bangladesh should not let loose the demon of micro-credit and NGO business, at the cost of its long-term interest. You would be surprised to learn that how exploitative the mega NGOs... could be for the average Bangladeshis. How many of you know that a Nakshi Kathar Sari you buy at Taka 12,000+ at Aarong shops, run by the BRAC, is a by-product of slave labour. The BRAC not only pays NO income tax (as charity, has occupied parts of Gulshan Lake to build its multi-storied complex, people allege, I am not sure) it also pays around Taka 500 to the village woman who makes the embroidery on the Nakshi Katha sari. And it takes her about a month to complete one sari, is it fair? Similarly is it fair to promote money lending by Grameen borrowers? They borrow at 30% and invest that in local money-lending business charging 100% or more on short-term loans. So, while the Nobel Prize is a good news, the story behind the Prize is not so. Finally, while Gandhi never got the Nobel Peace Prize (he deserved it most in south Asia), Menachem Begin, Anwar Sadat, Yasser Arafat and a former South Korean President

in 2000 got this prize for bringing about PEACE in the Middle East and the Korean peninsula! Where is the peace in these regions, could you please tell me? ☺