

IN CONVERSATION

Every good business is a social business

A conversation with Nobel Peace Prize laureate Muhammad Yunus on progress, power and the question of what for

Sebastian Morgner and Judith Dada · 2023

Judith Dada and Sebastian Morgner met Nobel Peace Prize laureate Muhammad Yunus on the sidelines of the UN Foundation's conference in an elegant Geneva hotel. They talked with him about progress. And as so often when you exchange ideas with wise people, the businessman and social entrepreneur in his white traditional dress revealed a deeply agile way of thinking.

Morgner: Professor Yunus, what does progress mean to you?

Progress is always relative to a point of reference. It has to relate to something — to my direction. You always have to clarify first where you want to go. With regard to this world, you first have to clarify the social and economic goals. We want to end poverty, or we want to create a world without such extreme differences in income. Today, the 85 richest families in the world own as much wealth as the poorer half of the world's population.

We first have to define the criteria by which we want to measure progress. And we have to measure our own capabilities by whether we can actually achieve that progress. The problem of the human community is that there are very different ideas about which goals are worth striving for.

Morgner: What was such progress in your life?

I tried to make a difference in the financial sector. I focused on poor women, created an organization — Grameen Bank — and developed a method for providing financial services on a lasting basis, which then became known as microcredit. These services achieved a reach that satisfies me very much. Today microcredit exists all over the world. That is the good news. The bad news: it took forty years. And unfortunately, no inclusive banking system has emerged in which no one is excluded.

Then I created a different business model. The whole world today is chasing money; it is profit-oriented. Doing business today means making money. I believe this system misreads human nature. It assumes that we act selfishly. That is the wrong way. People are a combination of many things. They have a selfish side and a selfless side. Our economic system denies the selfless part.

I built social businesses in Bangladesh. Today they exist in many other countries — in Albania, Brazil, Mexico, Haiti, India, Uganda, Tunisia. I hope that a significant part of the economy will become social business. Young people love it.

Dada: You are talking about young people...

Yes, now he is out. *(points at Sebastian and laughs)*

Dada: What, in your view, are the key factors? What should the young generation do?

First, I would like to remind you, as a representative of the young generation, that you all look like normal people — but you are different. Completely different. It has never happened before in human history, but thanks to technological progress you have become super-humans. You have unlimited technological possibilities. Incredible power.

First you have to become aware of how great the power you have is. You can change the entire world, and you need no one else to do it.

You have to ask yourselves: what do we want to do with this power? If we have the power to change the world fundamentally, what kind of world do we want? Young people should take the time for that. They should sit down and write it down: what are the characteristics of the world I would like to have? If they write it down, it will happen.

It could be a world in which no one is without work anymore. It is a shame that so many young people cannot live up to their potential because they have no work. They should question the existing system if it does not offer them what they need. A system has no right to punish its citizens. Citizens should punish the system.

Today many people are trapped; they live in an artificial system and do not question it — they think it is normal. Young people must challenge this system. Young people should write down how the world could be and hang it on the wall — so that they see it every day. Everything begins with an idea, a vision.

Dada: How should people feel in a world worth striving for — and what role should technology play in it?

Today it is called the digital future. Tomorrow it may be something else. Systems change. Entirely new systems will come. But that is not the question. The decisive question is: for what purpose?

Technology exists. But will it make sure there are no more sick people? Perhaps we will no longer need doctors in the future. Perhaps in a few years the computer will analyze our blood. A doctor may forget an important question. A computer forgets nothing. It has access to all the relevant information. Perhaps it will prescribe the necessary supplements directly, before we fall ill.

Morgner: An exciting utopia. A world in which technology takes over many jobs. But what will people do then? How will they earn their money?

They will find out. My job is to solve problems. So I solve them. New problems come. Others will have to solve those. Leisure, sleeping and doing nothing — that does not correspond to human nature. Living means discovering. That is human nature. Explore! People are very good at that.

Dada: What capabilities must leaders bring in our time?

The same as leaders in all times. Who is a leader? Someone who sees further. He can process information faster and more comprehensively. He can lead others in the right direction because he recognizes new possibilities.

A leader is someone who moves a boundary. He needs the picture of a better world before his mind's eye and the intention to make that world a reality.

Then he has to inspire the people around him to go in that direction with him: his family, the people in his community, like-minded people all over the world. And all for a purpose. At the start, you have to decide on the purpose of your efforts.

And now technology and creative power come together. We human beings are full of creative potential. The more we use it, the more creative we are. If you do not use it, it is lost.

In the profit-driven economy, you sell sugared water that makes people sick, or cigarettes that make them addicted. Such things do not exist in social business. There, the purpose is not to become as rich as possible but to do something good for others. That is why every business should be a social business. A business model that does not help improve people's living conditions is superfluous.

Morgner: If you could choose two global initiatives that would really move humanity forward — which would they be?

First, I would reach young people, inform them and make them aware of their position as super-humans. I would involve them and train them in technology.

And second, I would promote social business models worldwide. Anyone who has an idea of how to help others should never fail for lack of money. I would set up many funds, because when young people have ideas that change something, they should be able to realize them without financial pressure. It must not always be: make money with it, make even more money, make a return. That drives us humans crazy at some point.

Why this conversation is here

Yunus asks a question that is almost always skipped in strategy processes. He does not ask what a company does or how. He asks: for what purpose? And he asks it at the point where it becomes uncomfortable — with the technology that is coming anyway.

This is not rhetoric about meaning. It is a statement about attention. People direct their attention to what they expect to contribute to. A business model whose purpose cannot be stated in one sentence does not focus attention — it scatters it. Two thirds of employees in German companies cannot explain their company's strategy. That is the same gap, just one level down.

What we took from the conversation and use in our work: the question of what for belongs at the beginning of a strategy process, not on the last slide. And it has been answered when people at the third level can say it in their own words — not when it appears in the mission statement.

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