

# Foreword

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Muhammad Yunus

*Founder, Grameen Bank, and 2006 Nobel Peace Prize Laureate*

I am pleased that the Worldwatch Institute has chosen to tackle the difficult issue of cultural change in *State of the World 2010*. Over the past three decades, at the heart of my work with microfinance, I had to challenge the centuries-old belief that poor, illiterate women cannot be agents of their own prosperity. Microfinance rejects this fundamental cultural misconception.

Culturally rooted fallacies are difficult to slay. My early requests to established bankers to lend to poor women were met with clear and strong objections. “Poor people are not bankable. They’re not creditworthy,” a local banker insisted, adding for good measure, “You can say goodbye to your money.” The initial experiment was highly encouraging—our borrowers turned out to be excellent customers who repaid their debts on time. The conventional bankers were unimpressed, calling the results a fluke. When we were successful in multiple villages, they shrugged their shoulders.

I realized that their cultural presumptions about the poor would not budge easily, no matter how many successes we earned. Their minds were made up—*Poor people are not creditworthy!* My job, I realized, was to sow the seeds of a new financial culture by turning this false notion on its head: the truth is not that the poor are not creditworthy, but that

conventional banks are not people-worthy.

So we set out to create a different kind of bank, one geared to serve the poor. Conventional banks are built around the principle that “the more you have, the more you can get.” We reversed that principle to the less you have, the higher your priority for receiving a loan. Thus began a new culture of finance and poverty alleviation, in which the poorest are served first and a fistful of capital could turn abject poverty into a livelihood.

After years of careful cultivation, these ideals became Grameen Bank, which today lends a billion dollars annually to 8 million borrowers. Our average loan is \$360, and 99 percent of funds are paid back on time. Programs now include lending to beggars, micro-savings accounts, and micro-insurance policies. And we are proud to note that microcredit has expanded worldwide.

A financial industry for impoverished people, mostly women. That is a cultural change.

Now I know that cultural assumptions, even well-established ones, can be overturned, which is why I am excited about *State of the World 2010*. It calls for one of the greatest cultural shifts imaginable: from cultures of consumerism to cultures of sustainability. The book goes well beyond standard prescriptions for clean technologies and enlightened policies. It advocates rethinking the founda-

tions of modern consumerism—the practices and values regarded as “natural,” which paradoxically undermine nature and jeopardize human prosperity.

Worldwatch has taken on an ambitious agenda in this volume. No generation in history has achieved a cultural transformation as sweeping as the one called for here. The book’s many articles demonstrate that such a shift is possible by reexamining core assumptions of modern life, from how businesses are run and what is taught in classrooms to how weddings are celebrated and the way cities are orga-

nized. Readers may not agree with every idea presented here. But it is hard not to be impressed with the book’s boldness: its initial assumption is that wholesale cultural transformation is possible. I believe this is possible after having lived through the cultural transformation of women in Bangladesh. Culture, after all, is for making it easy for people to unleash their potential, not for standing there as a wall to stop them from moving forward. Culture that does not let people grow is a dead culture. Dead culture should be in the museum, not in human society.

A handwritten signature in blue ink, appearing to be 'Randy Kohn', with a long horizontal line extending to the right from the end of the signature.