

Banker criticizes Iraq war

At Nobel fete, Yunus also faults globalizing

By Walter Gibbs

OSLO: The Bangladeshi banker Muhammad Yunus, who developed microcredit, the practice of making small, unsecured loans to the poor, warned Sunday that the globalized economy was becoming a dangerous "free-for-all highway."

"Its lanes will be taken over by the giant trucks from powerful economies," Yunus said during the lavish ceremony at which he was awarded the 2006 Nobel Peace Prize.

"Bangladeshi rickshaws will be thrown off the highway."

While international companies motivated by profit may be crucial in addressing global poverty, he said, countries must also cultivate grassroots enterprises and the human impulse to do good.

Challenging economic theories that he learned while pursuing a doctorate in the 1970s at Vanderbilt University in Nashville, Tennessee, he said that glorification of the entrepreneurial spirit had led to "one-dimensional human beings" motivated only by profit.

Yunus, 66, then took a direct jibe at the United States for its war on terror. He told about 1,000 dignitaries at Oslo's City Hall that recent American military adventures had diverted global resources and attention from a more pressing project: halving worldwide poverty by 2015, as envisaged by the United Nations six years ago.

"Never in human history had such a bold goal been adopted by the entire world in one voice, one that specified time and size," he said.

"But then came Sept. 11 and the Iraq war, and suddenly the world became derailed from the pursuit of this dream."

Yunus called for legal recognition of a new category of corporation that would be neither profit-maximizing nor nonprofit. It would be a "social business," like Grameen Bank, the microcredit institution based in Dhaka, Bangladesh, that he started 30 years ago.

Grameen has lent nearly \$6 billion to help some of the poorest people on earth start businesses, build shelters and go to school.

The bank — with which Yunus shared the prize Sunday — is an interest-charging, profit-making business with more than 2,200 branches. But it is owned primarily by its poor clients and is run for their benefit.

Similarly structured institutions, Yunus said, could bring health care, information technology, education and energy to the poor without requiring infusions of aid.