***Supplemental Text(s) – choose any one:*** *(directions provided below and in class)*

| | |
|---|---|
| S1. | Bishop, Matthew, *Philanthrocapitalism – How the Rich Can Save the World*, Bloomsbury Press, 2008. (ISBN: 978-1-596-91374-5) ($27.00 list price) |
| S2. | Counts, Alex, *Small Loans, Big Dreams – How Nobel Prize Winner Muhammad Yunus and Microfinance Are Changing the World*, Wiley, 2008. (ISBN: 978-0-470-19632-8) ($29.95 list price) |
| S3. | Hart, Stuart, *Capitalism at the Crossroads – Aligning Business, Earth, and Humanity*, Wharton School Publishing, 2007. (ISBN: 978-0-136-13439-8) ($19.99 list price) |
| S4. | Strong, Michael, *Be the Solution – How Entrepreneurs and Conscious Capitalists Can Solve All the World's Problems,* Wiley, 2009. (ISBN: 978-0-470-45003-1) ($24.95 list price) |
| S5. | Yunus, Muhammad, *Creating a World Without Poverty – Social Businesses and the Future of Capitalism*, PublicAffairs, 2009. (ISBN: 978-1-586-48667-9) ($14.95 list price) |

## Customer Reviews

**Philanthrocapitalism: How Giving Can Save the World**

| | | |
|---|---|---|
| 5 star: | | (7) |
| 4 star: | | (2) |
| 3 star: | | (0) |
| 2 star: | | (0) |
| 1 star: | | (0) |

**9 Reviews**

**Average Customer Review**

4.8 out of 5 stars (9 customer reviews)

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12 of 12 people found the following review helpful

5.0 out of 5 stars **Investing in Human Kind**, December 24, 2008

By

**H. Sirkin** (Chicago, IL: USA) - See all my reviews

(REAL NAME)

**This review is from: Philanthrocapitalism: How the Rich Can Save the World (Hardcover)**

In this time of recession and government spending cuts, charitable organizations and medical, scientific and social research are under severe pressure to curtail their efforts. But thanks to the return-oriented support of the ultrawealthy, these programs can in many cases continue their critical work. Bishop and Green trace the history of philanthrocapitalism and focus on its implications for modern society. With their emphasis on key players like the Rockefeller Foundation, Warren Buffett and Bill Gates ("Billanthropy"), Bishop and Green provide a clear perspective on how the ultrarich are playing an increasingly important role in making investments--rather than just donations--to solve problems that will transform the lives of humankind. This book is a must-read for anyone wanting to understand the future of philanthropy.

**Help other customers find the most helpful reviews**

Was this review helpful to you? Yes No

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Comment Comment

12 of 14 people found the following review helpful

5.0 out of 5 stars **Clearing the Windshield about Social Investing**, January 4, 2009

By

**Don Tapscott** (Toronto, ON Canada) - See all my reviews
(REAL NAME)

**This review is from: Philanthrocapitalism: How the Rich Can Save the World (Hardcover)**

I'm generally disappointed by business, and for that matter non-fiction books. It's rare to get a fresh idea, let alone one that is argued well. I've followed Mathew Bishop's work over the years was was excited to learn he had a new book. But I confess to some skepticism when I saw he had co-authored a book with a subtitle "How the Rich Can Save the World." When I look at the problems facing the world it seems to me that the rich, more than any other group have messed it up. And what a mess we have.

However, Philanthrocapitalism is a great book, and I can't think of any category of educated person who should not read it. For starters there is a lot of mud on the windshield when it comes to social investing, venture philanthrophy, philanthropreneurship, social innovation, social entrepreneurship and the like. The book provides a vivid and reach exposure to how wealth is increasingly being applied to improve the state of the world. I learned about the ecosystems of social investing, and was stunned to learn what's actually happening in this area.

For some time there has been the expression among the Corporate Social

Responsibility community "You do well by doing good." I don't think this has been true. Many companies have done well by being awful - by having terrible labor practices, bad products bolstered by good advertising, externalizing costs (such as industrial emissions) on society and the like. However increasingly in the age of transparency everyone is being held to higher standards. And a new generation of people with wealth are beginning to understand that you can't succeed in a world that is failing.
And what a great read. Every single chapter was packed with interesting stories about the players who are making this happen.

I expect the book will be widely read, and so it should. But my greatest hope is that people with wealth will read it and follow the lead of their most progressive peers. How ironic, should the rich actually end up being key to making this smaller world our children inherit a better and more sustainable one?

Don Tapscott, author Grown Up Digital, Wikinomics, The Naked Corporation and other books.

**Help other customers find the most helpful reviews**

Was this review helpful to you? Yes No

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Comment Comment

2 of 2 people found the following review helpful

4.0 out of 5 stars **A very well rounded survey**, July 5, 2011

By

**John Godfrey "artfulJohn"** (Sydney, Australia) - See all my reviews
(REAL NAME)

**This review is from: Philanthrocapitalism: How Giving Can Save the World (Kindle Edition)**

I have just completed the book and think it excellent. Don't be fooled by its title. It offers a very well rounded survey both of contemporary philanthropy and insights into the history of philanthropy. The authors describe five "golden ages" of philanthropy. of which the fifth is now. Its cast of characters are primarily British, American and contemporary Indian billionaires.

A central thesis is that philanthrocapitalists have the potential to be "hyperagents" able to apply their acumen to "tipping points and bottle necks" in a pluralistic system where governments, corporations and NGOs combine to meet the world's biggest challenges.

**Help other customers find the most helpful reviews**

Was this review helpful to you? Yes No
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Comment Comment

4 of 5 people found the following review helpful

5.0 out of 5 stars **How The Rich Can Save The World**, November 3, 2008

By
**A. A. Cave** (Oxford, England) - See all my reviews
(REAL NAME)

**This review is from: Philanthrocapitalism: How the Rich Can Save the World (Hardcover)**

We may all be obsessed with our own financial issues in the current downturn but it is likely to make Warren Buffett even richer in the long term so don't let anyone tell you that philanthrocapitalism dies with the credit crunch.
Bishop and Green make this argument powerfully in this impressive dissection of the origins, motivations and likely direction of corporate philanthropy. There are some great stories about the rich and famous - I particularly liked the expletive-ridden exchange between P Diddy and Bill Gates - but this is not an exercise in philanthro-puffery. The authors accept that the chief motivation of many such givers is a lower tax bill. This is a highly-readable, well-crafted exposition of why that shouldn't make a jot of difference.
**Help other customers find the most helpful reviews**
Was this review helpful to you? Yes No
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Comment Comment

4 of 6 people found the following review helpful

5.0 out of 5 stars **The new generation of philanthropists**, November 9, 2008

By
**James Fruchterman** (Palo Alto, CA USA) - See all my reviews
(REAL NAME)

**Amazon Verified Purchase**(What's this?)

**This review is from: Philanthrocapitalism: How the Rich Can Save the World (Hardcover)**

This excellent book is the first in-depth account of the new generation of philanthropists who will write the next few chapters of philanthropy. Most of the major new players that are currently coming on stage are covered, with a journalistic ethic of balancing the boosters' claims with the points of the critics. But, the book *is* discussing the voluntary parting of cash from billionaires, so it might be understandable that much of the material is somewhat sympathetic. Enough of the history of philanthropy is woven in to provide the background of past "philanthrocapitalists" like Carnegie and Rockefeller, and demonstrate that financial booms often are followed by a blossoming of giving. Of course, the method of social entrepreneurship is prominently featured.

The book concludes with a tongue-in-cheek imagining of a gathering of the senior philanthrocapitalists in 2025 on Richard Branson's mansion in space: the Gates, Jeff Skoll, Oprah Winfrey, Mo Ibrahim, Angelina Jolie and the new U.S. president, Larry Page.

**Help other customers find the most helpful reviews**
Was this review helpful to you? Yes No
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5.0 out of 5 stars **Intriguing and Accessible**, September 24, 2012

By
**Jacob G** - See all my reviews

**This review is from: Philanthrocapitalism: How Giving Can Save the World (Kindle Edition)**

This book is a must read. It is very well sourced and provides an excellent insight into the minds of some of the wealthiest men on the planet.

**Help other customers find the most helpful reviews**
Was this review helpful to you? Yes No
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Comment Comment

5.0 out of 5 stars **Recent history of philanthropy by super rich**, July 2, 2012

By
**Gderf** - See all my reviews

**This review is from: Philanthrocapitalism: How Giving Can Save the World (Paperback)**

B&G coin a malapropism with 'Philanthrocapitalism'. It's a very good history of high finance philanthropy, but there's no logic in projecting the effects on capitalism. B&G don't seem to recognize that politics has long ago trumped economics. The impossibility of 'philanthropolitics' precludes anything akin to 'philanthrocapitalism' becoming effective. As the authors point out, governmental economics dwarfs the amounts available to even these richest of financiers.

There are discussions of the efforts of efforts of Gates, Buffet, Turner, Andrew Carnegie and many others past and present. With even handed discussion of possible ulterior motives,
unintended consequences, and ethics of investment by not for profit foundations. Topics include some morphing of non profit foundations to for-profit honoring of founder's wishes
and the economics of awarding prizes. Especially interesting are the X prizes for science and mathematics.

It's a very edifying history and analysis of high finance philanthropy. The material is very original, not easily duplicated elsewhere.

**Help other customers find the most helpful reviews**

Was this review helpful to you? Yes No

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Comment Comment

4 of 7 people found the following review helpful

4.0 out of 5 stars **Changing the world through smart philanthropy**, October 7, 2008

By
**Susan C. Dempsey "philanthropy editor"** (NY, NY United States) - See all my reviews
(REAL NAME)

**This review is from: Philanthrocapitalism: How the Rich Can Save the World (Hardcover)**

Authors Matthew Bishop and Michael Green have talked to some of the world's most fascinating - and wealthy - people about the innovations they've brought to tackling major humanitarian challenges such as malaria, HIV/AIDS, poverty and hunger. Individually, people like Bill Gates, Bono, Bill Clinton and others have had great impact, but the authors show how the collaborations they've created are producing even more powerful results and changing the way philanthropy works.

**Help other customers find the most helpful reviews**

Was this review helpful to you? Yes No

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Comment Comment

3 of 6 people found the following review helpful

5.0 out of 5 stars **I don't know about saving the world, but they can help a lot**, November 10, 2008

By
**Dennis Littrell** (SoCal) - See all my reviews
(TOP 500 REVIEWER) (VINE VOICE) (COMMUNITY FORUM 04) (HALL OF FAME REVIEWER) (REAL NAME)

**This review is from: Philanthrocapitalism: How the Rich Can Save the World (Hardcover)**

Throughout most of human history the rich have used their money to make more money and, quite frankly, they have often done so at the expense of those without much. This has always been considered the way things are: the rich get richer and the poor get...well, you supply your own line. However in this, the age of the super rich, things are changing; and in this engagingly written book, Matthew Bishop, the New York bureau chief of the Economist, and Michael Green an economist on leave from the UK's Department for International Development, chronicle this change, and give us a look at what we can expect in the future.

The authors begin with a little history of philanthropy as they focus on some of the giants of contemporary philanthropy, most notably Bill Gates and Warren Buffet. These are men who have acquired such a staggering amount of money that it would be irresponsible to leave it all to their relatives or friends. The understanding is that when you have as much money as these guys have--literally billions of dollars--you have an obligation to use that money and the power derived from it for the betterment of humanity. Or at least that is the new way of thinking as this book clearly shows. Even corporate giants like the much criticized Wal-Mart have gotten into what the authors call "The Spirit of Philanthrocapitalism." Consider these words from Lee Scott, Wal-Mart's chief executive:

"What would it take for Wal-Mart to be...at our best all the time? What if we used our size and our resources to make this country and this earth an even better place for all of us: our customers, associates, our children, and generations unborn?...Is this consistent with our business model?" (p. 187)

Considering that corporations in this age of globalization are thought by some to be very much the problem and not the solution to humankind's challenges--see, for example, The Corporation: The Pathological Pursuit of Profit and Power (2004) by Joel Bakan--this is a refreshing point of view. And it makes sense when you think about it. Bill Gates and Warren Buffet now spend most of their time redistributing their wealth. Such work is more than a full time job; it's a new career. What if the heads of corporations realized the social and moral responsibility they have incurred by their very success, not through the persons of their retired executives, but through their present day business models?

Bishop and Green devote a chapter to the ideal of "The Good Company." It's obvious that they would like to see corporations do more, especially considering the great challenges that we currently face in terms of pollution, water depletion, global warming, food shortages, corrupt governments, etc. Google comes in for a bit of critical scrutiny from Bishop and Green who believe that the giant multinationals should go beyond the façade of good public relations to the wisdom of enlightened self-interest. They quote Klaus Schwab, founder of the World Economic Forum, as saying, "global corporate citizenship can be considered a long-term investment. Since companies depend on global development, which in turn relies on stability and increased prosperity, it is in their direct interest to help improve the state of the world." Unfortunately, Schwab further notes that "the pursuit of short-term profits at the expense of the long-term best interests of the firm may lead to 'corporate attention disorder,' whereby companies lose focus on the big picture." (p. 181)

The big picture of course is sustainability of your advantageous position in the world economy. I see on television night after night examples of how some companies think they can manage that with slick advertizing. Oil companies present commercials in which they urge people to use less energy. You might ask why they do that until you realize that the commercials have nothing to do with cutting energy use, but everything to do with promoting a positive public image for their company. This is NOT the way to assume social and moral responsibility, especially by companies that are not paying the full environmental costs of doing business while they garner record company profits.

I think in essence this is what this book is about on the deepest level: an attempt to demonstrate through the example of philanthrocapitalism a way for the corporation of the future to become a trusted and valuable member of the world society irrespective of whatever product or service they produce or perform. A corporation should be something more that an amoral entity blind to everything but its bottom line. What profits do the leaders of these giants have when they realize, soon or late, that they will leave this world, as everyone else does, the same way they came in?

Citing examples set by the Gates Foundation, George Soros's Open Society Institute, the Carnegie Corporation and others, the authors are plainly urging those with the wherewithal to take a leadership role in shaping society by funding not just established charities but through the founding and funding other worthwhile projects including those dedicated to educational reforms, disease eradication, and scientific research. They also want the philanthropists of today to influence others not involved in charity to work for the common good. They quote Bill Gates as saying insightfully, "Go get 0.1 percent of the scientists working on erectile dysfunction to come and work on malaria and you will be making a huge contribution." (p. 51)

So, perhaps more than anything, the authors are showing how today's great philanthropists are using their celebrity and their prestige as well as their cash to help make this a better world. Let's hope more of them get involved.



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S2:

## rom the Inside Flap

The stark reality of global poverty—the poorest half of the world's population owns less than one percent of its assets, and that nearly one billion people subsist on less than $1 per day—rarely registers even a ripple in the international media. Western attempts to stem hunger and poverty are often piecemeal and ineffective, applying band-aids rather than finding permanent solutions. But Muhammad Yunus, visionary founder of the Grameen Bank, has demonstrated different and more inclusive ways of approaching the problems that confront humanity. In creating Grameen, he turned the conventional wisdom of traditional financial institutions on its head: instead of seeking out wealthy people with collateral and excluding the poor, Yunus sought out the impoverished and excluded the rich. His approach, known as microfinance, has revolutionized global antipoverty efforts.

In Small Loans, Big Dreams, Alex Counts presents compelling stories of women benefiting from Yunus's microcredit in rural Bangladesh and urban Chicago. He sets the stage by telling the story of Grameen's founding by Yunus, describing the environments in which Grameen Bank and the Full Circle Fund—a bold effort to apply the same principles in Chicago—and their clients operated. He then recounts the experiences of different borrowers in each country, interspersing them with stories of Yunus, his colleagues, and their counterparts in Chicago. These fascinating accounts not only show the power of the strategy, but also prove that it is no panacea that absolves governments and businesses from their obligation to consider the needs of the poor. Instead, microfinance emphasizes that other sectors think about the implications of its success for their own work—which may be based on flawed assumptions about the poor that the success of microfinance has disproved.

Microfinance has the potential to reach truly massive numbers in the years ahead. But in order to grasp future opportunities and challenges, it is essential that people everywhere understand just what it takes to build a large microfinance institution like Grameen Bank, and how this allows for market-based poverty reduction through the principle of self-help. To that end, this book provides a straightforward, inspiring, and accessible guide.

## rom the Back Cover

Praise for Small Loans, Big Dreams

"I was enthralled to see the difference a few dollars loaned with no collateral in Bangladesh could benefit and change Chicago's poorest of the poor. I learned how pennies defeated myths about the poor. This book will renew your belief in the American dream and show that there can be economic liberty and justice for all—here AND abroad! This story must be told and retold—and then updated again as the successes pour in. Please keep fast-forwarding!"
—MIKE ENZI, U.S. Senator, Wyoming

"Counts moves past facts and figures to show the human side—and human cost — of poverty. By focusing on the experiences of individual women, Counts demonstrates the power of microfinance to bring opportunity where it otherwise would not exist, and ultimately transform people's lives. I am pleased to be able to support Grameen, as I believe its important work addresses one of the critical issues of our time."
—Pierre Omidyar, founder and Chairman, eBay, cofounder and founding partner, Omidyar Network

"Microfinance is the most effective and noble tool for combating poverty. It builds on the strengths rather than the perceived weaknesses of poor communities. In this memorable book, Alex Counts tells of working with Nobel Prize winner Muhammad Yunus, the pioneer of the movement, and he illustrates his analysis with fascinating and inspiring tales of how the process has worked."
—WALTER ISAACSON, President, The Aspen Institute

"In Small Loans, Big Dreams, Alex Counts humanizes, through deft

storytelling and solid analysis, the borrowers as well as the leaders of the microfinance movement. The 2006 Nobel Peace Prize broadened the awareness of microfinance and Grameen. This book deepens ones understanding of this emerging industry, and lets the reader see that it is about not just transactions, but transformations—of people and of entire economies."
—PAUL MARITZ, former senior vice president, Microsoft Corporation

"Small Loans, Big Dreams provides a powerful and poignant glimpse into the real world of microfinance. From the well-told stories, we learn that the success of Grameen and microfinance is not just having innovative business models nor good intentions. Rather, it is organizations' and people's willingness and ability to touch the lives of individuals—to hear their stories, to understand their needs and aspirations, and to provide them with an opportunity to improve their own livelihood that makes the Grameen model and similar programs such a successful poverty-alleviation tool."
—MARGE MAGNER, founder and Managing partner, Brysam Global Partners

"At a time when 'change' is the watchword, here is a story of the devotion and tenacity it takes to turn a powerful idea into a powerful reality."
—JANET McKINLEY, retired chair, The Income Fund of America, Inc.

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S3:

## *Editorial Reviews*

eview

http://www.socialfunds.com/news/article.cgi/article1596.html

**Book Review--Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems**

*by William Baue*

According to author Stuart Hart, sustainable global enterprise holds the key to reducing poverty, reversing environmental destruction, and even counteracting terrorism.

SocialFunds.com -- Cornell and University of North Carolina Business Professor Stuart Hart's *Capitalism at the Crossroads* perfectly complements University of Michigan Business Professor C. K. Prahalad's *The Fortune at the Bottom of the Pyramid*, perhaps even surpassing it in significance. The two professors collaborated from 1998 through 2002 on the seminal article that gave birth to the "bottom of the pyramid" (BOP) concept that Prof. Prahalad explains so eloquently in his book (see related book review). The BOP market theory holds that multinational corporations (MNCs) can simultaneously profit *and* help reduce global poverty by serving a market they have largely ignored until recently: the 4 billion people in the world living on less than $2 a day.

As good as Prof. Prahalad's book is, however, it leaves unanswered the question of how the BOP theory fits into the larger context of sustainability, particularly environmental sustainability. Prof. Hart's book not only answers this question, but also presents a comprehensive and compelling argument that capitalism cannot afford to ignore sustainability--indeed, that capitalism will thrive by embracing sustainability (and vice versa).

"This book takes the contrarian's view that business--more than either government or civil society--is uniquely equipped, at this point in history, to lead us toward a sustainable world in the years ahead," writes Prof. Hart. "Properly focused, the profit motive can *accelerate* (not inhibit) the transformation toward global sustainability, with nonprofits, governments, and multilateral agencies all playing crucial roles as collaborators."

Prof. Hart introduces the book describing how the shift in the relationship between capitalism and environmentalism from antagonistic to (sometimes) complementary forces mirrored his own shift from distrusting capitalism to respecting its power to leverage positive social change. The "greening" revolution of the 1980s demonstrated that companies could profit by employing more environmentally benign processes, such as recycling or waste reduction.

However laudable the greening approach is, it became apparent in the 1990s that reducing the environmental impact of existing business models would prove insufficient to address the imminent environmental and social crises, according to Prof. Hart. He was among those who at that time promoted moving "beyond greening" through "creative destruction" of environmentally and economically wasteful processes, replacing them with environmentally (and economically) beneficial processes.

"Unlike greening, which works through the existing supply chain to effect continuous improvement in the current business system, 'beyond greening' strategies focus on *emerging*technologies, new markets, and unconventional partners and stakeholders," writes Prof. Hart. "Such strategies are thus disruptive to current industry structure and raise the possibility of significant repositioning, enabling new players to establish leading positions as the process of creative destruction unfolds."

The primary business strategy that promises to arise from the ashes of creative destruction is the BOP approach of serving the needs of the poor in ways that are culturally appropriate, *--This text refers to an out of print or unavailable edition of this title.*

## rom the Back Cover

Capitalism is indeed at a crossroads, facing international terrorism, worldwide environmental change, and an accelerating backlash against globalization. Companies are at crossroads, too: finding new strategies for profitable growth is now more challenging. Both sets of problems are intimately linked. Learn how to identify sustainable products and technologies that can drive new growth while also helping to solve today's most crucial social and environmental problems. Hart shows how to become truly indigenous to all markets -- and avoid the pitfalls of traditional 'greening' and 'sustainability' strategies. This book doesn't just point the way to a capitalism that is more inclusive and more welcome: it offers specific techniques to recharge innovation, growth, and profitability. *--This text refers to an out of print or unavailable edition of this title.*

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S4:

## *Editorial Reviews*

## eview

"If Be the Solution is a bold title, the subtitle is even bolder: How Entrepreneurs and Conscious Capitalists Can Solve All the World's Problems. . . Author Strong's point, however, is not just that there is plenty of room for idealism in the capitalist system. His main argument is that, to the degree that the world's problems can be solved at all, conscious capitalism is the only possible solution. For example, in the chapter called "Solving All Environmental Problems," you'll find the best argument I've ever read on why government is part of the problem, and why property rights are fundamental to the solution. If you know some young, or old, person who would like to change the world, Be the Solution would be an ideal present." (*Barron's*)

## rom the Inside Flap

What if the distinction between business and doing good vanished? What if all those who engaged in business were committed to a deeper purpose, and all those committed to doing good were entrepreneurial and enterprising? What would it take for a world of seven billion such people to solve all the world's problems?

More and more people are looking for meaning and purpose in their lives as employees, as consumers, and as investors. More and more people have more than enough material goods and are more interested in the qualities of the goods they buy; in the experiences associated with the services they provide and buy; in the way the companies they buy from act as citizens; and in self-actualization—rising up Maslow's hierarchy. As an increasing percentage of the population reaches the point at which they no longer need more stuff, what will they do, how will they live their lives?

If you are one of these people, wondering where to go from here, how to "be the solution" in the twenty-first century, Be the Solution provides an original perspective on how to create a better world. Focused entirely on entrepreneurial and Conscious Capitalist solutions to the challenges and opportunities facing humanity, Be the Solution shows how the entrepreneurial passion to create a better world, in combination with Conscious Capitalist business practices, can solve far more of the world's problems than any other approach.

In combination with leading Conscious Capitalists such as John Mackey writing on "Conscious Capitalism," leading social entrepreneurs such as Muhammad Yunus writing on "Social Business," and leading legal reform experts such as Hernando de Soto writing on "Is Economic Freedom for Everyone?," entrepreneurial educator Michael Strong lays out a philosophical, social, and legal framework for a FLOW vision through which all problems may be solved entrepreneurially.

FLOW, Inc., is an organization cofounded by John Mackey and Michael Strong to promote Mihaly Csikszentmihalyi's concept of flow as optimal experience—the state in which we are so immersed in challenging, creative activity that we forget that time is passing. To be engaged in flow activities is happiness itself. Whether we are creators of enterprises or entrepreneurially creative within our life as employees, we can embody the entrepreneurial spirit and, in the words of Michelangelo, "criticize by creating."

In addition, FLOW refers to the global flow of goods, services, capital, humans, ideas, and culture, in a positive win-win-win world based on love rather than fear. Combining the best of the positive psychology and human potential movements with the best of free market thinking, FLOW offers a unique perspective on how to Be the Solution in the twenty-first century.

S5:

## Most Helpful Customer Reviews

68 of 72 people found the following review helpful

5.0 out of 5 stars **The Most Important Management Book Written Since Peter Drucker Defined the Practice of Management**January 31, 2008

By Donald Mitchell HALL OF FAMETOP 100 REVIEWERVINE™ VOICE

Format:Hardcover|**Amazon Verified Purchase**

Creating a World Without Poverty should be read by everyone who is concerned about helping the poor and those whose needs are ignored.

If I could give this book one hundred stars, I would; that would still be too few. Books have the potential to advance and create discussions about ideas, concepts, and practices that can reform everything we do in needed directions. Creating a World Without Poverty is one of the few books I've ever read that fulfills that potential.

Professor Yunus (co-winner with the Grameen Bank of the Nobel Prize for Peace in 2006) has written an extremely thoughtful and thought-provoking work that successfully argues for a new type of organization to serve the unserved among the poor, the social business. A social business seeks to optimize social benefits rather than profits. In defining its purpose, a social business begins by defining a social need that wouldn't otherwise be served. Profits are kept at the minimum level needed to keep the enterprise viable. Ideally, no dividends are paid to owners. The original investors get a return of their capital, and then the organization is purchased by the poor . . . using microcredit from organizations like the Grameen Bank in Bangladesh. The Grameen Bank is a model for such an enterprise, and in the book Professor Yunus describes several other ventures that the Grameen Bank has initiated with partners steeped in expertise related to the needs of the poor.

Professor Yunus describes his experiences in founding the Grameen Bank and the lessons he learned from this work:

1. The poor are very capable of solving problems -- survival needs have honed their skills.

2. Poor people often need very few resources to pull themselves out of poverty. They are used to making do with little and will frugally expand a small farm or business.

3. Many poor people are poor because they are exploited by those who loan them money, provide supplies, and purchase their offerings. By providing inexpensive microcredit, poor people can escape from that exploitation.

4. By helping the whole family make progress, you can lift a family out of poverty permanently through more income, savings, capital, improved living conditions, and education.

5. By focusing on helping poor women, the resources are used most effectively.

6. Poor women are good credit risks.

7. Some needs cannot be met without adding expertise that the poor don't have (such as developing more nutritional, low-cost snacks for youngsters) but which those in profit-making companies often do have.

8. Some leaders of profit-making companies are moved to make a difference for the poor and can assist in establishing new enterprises to solve important problems that plague the poor (blindness, malnutrition, and lack of communications).

9. Creating social businesses uses a lot fewer resources than charity or government initiatives and leads to better results for the poor.

The book goes into some detail in describing the development of the Grameen Bank (which makes small loans -- usually around $100 -- to poor people who lack collateral to qualify for loans at traditional banks) and a recent social business start-up by Groupe Danone and Grameen Bank to provide a nutritional yogurt snack in Bangladesh. There is also a description of plans for a social business venture to provide eye care sponsored by Grameen Bank that is being helped through training at Aravind Eye Hospital in India (you can read about Aravind in The Fortune at the Bottom of the Pyramid).

The book's vision is wider than what I have just described. Professor Yunus has considered how the world might be filled with such social businesses and how they might operate (competitive salaries for employees, engaging poor people as suppliers, distributors, customers, and employees as much as possible, stock markets for the shares in such firms, and ways that more initial capital might be generated by foundations, governments, investors, and for-profit businesses). He has also done some fine thinking about the governance challenges of such enterprises.

I think what he is describing will work. I've seen partial prototypes operating in the United States. In major cities in the United States, some hospitals that serve the poor have added high-profit surgery centers to earn funds to pay for the medical care given to the poor. Aravind charges those who can pay full price for cataract surgery and uses the profits to provide free surgery to poor people. Some companies been left to charities by their founders at death with the dividends of the companies used to help the poor (Hershey had such an origin in helping orphans). But remember that Professor Yunus's model is broader than that . . . the social business should develop a new business model that innovates in serving the poor in new ways, not just subsidize serving the poor in old ways.

I have been writing about continuing business model innovation since 2003 and can assure you that Professor Yunus is on the right track with his prescriptions. In a world where we often make fun of economists, it's nice to know that there's one who can climb down from the ivory tower to appreciate the potential of applied microeconomics to the causes of problems for poor people.

I particularly liked the concept of having poor people be part of the solutions. Poor people know what they need better than anyone else does. Their solutions are going to be the most effective ones.

Lest you think this is all over optimism, Bangladesh has seen the level of poverty in the country transformed by these kinds of changes. The day is not too distant when Bangladesh will know about poverty only through visiting museums that describe what it used to be like. The poverty rate has fallen from 74 percent in 1974-75 to 40 percent in 2005. That's still too high, but it's a huge reduction in only three decades in a country without natural advantages other than the ingenuity and hard work of its people.

It is Professor Yunus's wish that poverty only be seen in museums throughout the world.

He also points out that global environmental problems need to be solved or low-lying Bangladesh will be under water from global warming that melts the polar ice. It's a sobering thought.

Bravo, Professor Yunus!
1 Comment |
**Was this review helpful to you?**
Yes
No
48 of 53 people found the following review helpful
5.0 out of 5 stars **Savior of Capitalism** January 10, 2008
By Barrie W. Bracken VINE™ VOICE
Format:Hardcover
The author has proven that capitalism, if it accepts a social conscince out of self-preservation, can eventually develop a world where poverty is on the decline. Yunus is one of the most deserving of recipients of the Nobel Prize. He has been recognized by many, including former president Bill Clinton, as a financial reformer of very high order. The author is not a reving socialist but a reasonable person who believes the responsibility of every individual is to leave the world a better place for those to whom we will leave it. Instead of depending entirely on charity to combat poverty and ease the suffering of those who don't have the material benefits needed for survival, they should be given an oportunity to make their own way in the community.

This is a book that should be carefully read by every person who is interested in a more secure world, in easing human suffering, in providing opportunity to every individual to meet his or her potential, and certainly every politician world wide who has the courage to do what is right and not just politically expedient.

I have given this book five stars. In the past many others have gotten this rating, and this is the most deserving.
6 Comments |
**Was this review helpful to you?**
Yes

No

19 of 21 people found the following review helpful

5.0 out of 5 stars **The most significant book on economics in recent times** February 15, 2008

By Arup Biswas

Format:Hardcover

Have you ever pondered why the raw capitalism prescribed by Adam Smith that became successful in raising the standard of living at the early stages of its development, lost it's steam after a certain phase? Why it leads to staggering inequality of income, destruction of the environment and social injustice?

In this book, Nobel Laureate Dr. Yunus suggests the reason is in the basic flaw in the assumption of Adam Smith, that man is a one dimensional being, his only motive in the world is to maximize the profit. If profit maximization is the only yardstick of the success of a business, why should the corporations care about other factors like social responsibility, sustainability or social justice?

Dr. Yunus, in this book, proposes another model of business, which he calls Social Business. In this business model, the goal is not profit maximization, but a specific social benefit, for example, providing nutrition among the population. The social business is not a charity, because, it returns the original investment back to the investor. But, it reinvests the profits back to the business to maximize its social goal. Dr.Yunus is not an ivory tower economist, but a very down-to-earth pragmatist, who has founded a score of Social Businesses in his own country Bangladesh and other underdeveloped parts of the world. As a result of his work, millions of people have come out of poverty.

In this book, he also explains the concept of micro-finance, a small amount of money, usually less than hundred dollars lent to the poor people, who can then use this money for running a small business. This generates income and help them rise above the poverty level. According to Dr. Yunus, the poor people always pay back the money. After reading the book, I have become interested in investing some money in micro-finance. If you like the idea check out [...]or similar micro-finance sites. A small amount of your money may make a huge difference in people's lives and you get your original money back.

Dr. Yunus writes in simple, lucid language. The book will engage you and definitely enrich your world view. If you have time to read just one book this year, I would suggest this one.

Comment |

**Was this review helpful to you?**

Yes

No

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