

Interview with Detsche Welle, March 4, 2011

Activist slams Bangladeshi Nobel laureate and microfinance pioneer

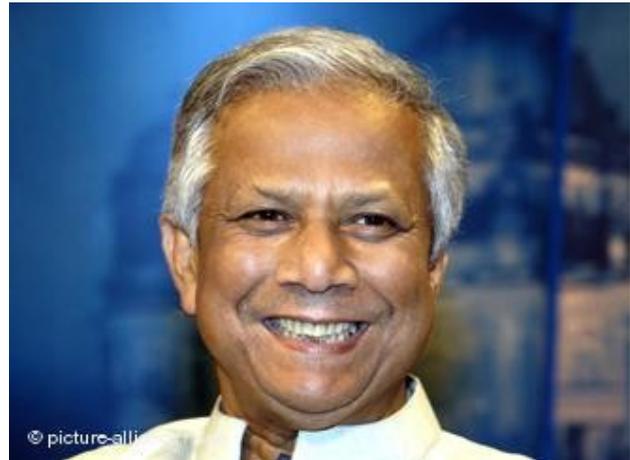
The Bangladeshi pioneer of microfinance Muhammad Yunus refuses to step down as managing director of Grameen Bank, which he founded 30 years ago. Badruddin Umar argues he is no better than a feudal moneylender.

Yunus has been 'removed' from his post by the central bank

Badruddin Umar is an activist and historian in Dhaka and the author of "Poverty Trade of Dr Yunus."

Deutsche Welle: If Dr Yunus violated the law, why has it taken 10 years for the government to act?

Badruddin Umar: Better late than never. If some correct thing was not done 10 years ago, it doesn't mean that he is entitled to continue indefinitely.



People did not act because they were afraid - afraid not of Yunus directly but of other people who were praising him and who were great admirers of Yunus and who believed that he was doing a great thing. Some people actually believed nothing could be said against him, he is a demigod, with international propaganda highly in his favor.

There are few people willing to criticize Yunus publicly. So why has the criticism against Yunus escalated in recent months?

People have been talking about his activities for the past 10 years, particularly in rural areas. The common man does not think that criticizing Yunus will bring national shame. When you go to the countryside, most people will say that he is sucking people's blood. If you go and talk to any rickshaw puller, he will talk against Yunus – go to the countryside, to the people to whom they grant these loans. They are not satisfied.

Now more news reports are emerging that people have had to sell their land, utensils and domestic animals to repay the loans, and being unable to pay the loans people have committed suicide.

People committing suicide have also taken loans from BRAC, and other microcredit agencies, so why is Yunus being targeted?

Because he is making self-propaganda unlike others. BRAC remains quiet. The others remain quiet. Yunus' propaganda is that he is redeeming the poor. Abed, the chief of BRAC, perhaps the

biggest NGO in the world, is not promoting himself. Yunus is talking about sending poverty to the museum – this man has positioned himself as a spokesman for all these NGOs.

In your book *Poverty Trade*, you compared Yunus with feudal moneylenders. Why?

You have to compare Yunus with old feudal moneylenders as there are a lot of similarities. Yunus has said that if people are affected badly or negatively by the loans, why are they coming to take loans from Grameen Bank. They are forced to come because there is a credit gap, and the local moneylenders, the government banks, cannot fill this gap. So these microcredit finance agencies fill it.

Lending to the poor is nothing new. It is similar to old times when the same social relations and circumstances forced people to go to the old feudal moneylenders.

Is the criticism against Yunus politically motivated?

It may be politically motivated for Prime Minister Sheikh Hasina but it is not politically motivated for men like me and for the rural poor and the urban middle-classes who criticize him.

Sheikh Hasina thinks that he was set up against her as an alternative political leader. He announced the formation of a political party after winning the Nobel Prize.

If he is removed from Grameen Bank, then his base is gone. Then the fear in her mind that the borrowers of Grameen Bank will vote against her won't remain. On the other hand, Khaleda Zia of the Bangladesh Nationalist Party, has been in favor of Yunus not for any other reason but because Hasina opposes him, so she supports him. This is the Bangladeshi political game.

Last year a Norwegian documentary accused Yunus of dodging taxes, but the matter was later settled. What was its impact in Bangladesh?

Even Hasina, who was actually not able to criticize him or act against him openly, started this after the Norwegian documentary. The Norwegians backed out saying that he had corrected his misdeeds. But reports started appearing about his other malpractices. The Norwegian documentary created an opportunity for people to speak against him.

Why has microcredit come under fire in Bangladesh?

Because no improvement has taken place in the countryside in relation to poverty. When Yunus gives loans, they have to pay back the interest from next week. There must be a grace period of one year or six months at least. When you force them to pay back regularly every week, they have to pay back out of the capital.

Yunus says his realization is 98 percent so you can imagine what cruel methods are used for extraction. They threaten people, they call the police very often.

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