

DIRECT TO YOU

# Knowledge loans?

I WANT TO ask you a question ...

It's a question I've been putting to an increasing number of eminent academics, business people and policy-makers and no one has yet answered it. It doesn't *appear* to be a hard question, but perhaps it is. It relates to how business schools and industry can best target the application of their knowledge and resources for the best.

But rather than ask you the question directly, I'll circle around a bit ...

Many readers will be aware of the impact of the Grameen Bank\* and its microcredit idea upon the economy of poverty. The Grameen Bank, inspired by Nobel Laureate Muhammad Yunus, started in 1976 in Bangladesh to provide tiny loans to rural

disadvantaged people in order to produce economic spin-off in their communities. Now it has over 8 million borrowers. It's a very successful intervention mechanism.

Grameen microcredit works on clear principles. It promotes credit as a human right. Its mission is to help poor families to help themselves to overcome poverty and is targeted at the poor, particularly poor women. It is not based on any collateral or legally enforceable contracts and offers loans for creating self-employment for income generation. It does not accept the idea of 'creditworthiness' and provides a service at the doorstep of the poor.

So here's the question. What is the equivalent of the Grameen microloan for *knowledge*?

You see, business schools are knowledge banks (as indeed are other organisations). Like a conventional bank, we have a stock of capital and we give it out to clients on payment of fees. It's called education and although it is great value (the ROI is impressive) it is expensive and tends to be the province of the moneyed and the privileged. And that very observation was where Muhammad Yunus started. He observed that conventional banks gave loans only to the 'creditworthy' – as distinct from those who need it.

Knowledge of course is not like money; if you give some away you still have the same amount yourself (in fact one can argue that you will have more, but that's another story). Nevertheless the lesson of the Grameen loans is relevant to any aspirations we may have toward an emancipatory agenda in business schools.

If we follow Yunus's lead, business schools should be seeking opportunities to inject packets of knowledge into those parts of society where they will provide the greatest spin-off. We should be going to the

uneducated rather than expecting them to approach and open the forbidding doors of the rich. Indeed the point of the Grameen analogy is that we should be looking to drop these packets into the hands of the uneducated as much as into those of the educated.

The part of the question that has troubled all these eminent people is not the mechanics of the 'knowledge microloan' so much as the contents of the package. What could we drop into the understanding of the economically disadvantaged in order to make a maximal difference?

The only telling example I have received was not from an eminent professor but from a recent MBA graduate on a plane. He observed that the street traders selling goods at the big road junctions are just that ... traders. They sell what they buy, merely moving it from the point of wholesale to the point of sale. My traveling companion observed that the concept of adding value to material by operating upon it appears foreign to these traders. Now the concept of *value adding* and *value chains* is ubiquitous in business education and it would be possible to present these ideas in an accessible way to these smart but under-educated traders.

For me it hits the button, but it's the only clean example I've been given. If we can find some more topics that comply with the Grameen principles we could be in business. Or someone else could be. Which is, after all, to our collective advantage. **a**

\* [www.grameen-info.org](http://www.grameen-info.org)

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