

## Inspiring social business – a conversation with Muhammad Yunus

*At a recent LSE Entrepreneurship event, Nobel Peace Laureate Muhammad Yunus talked about where capitalism is going wrong and what to think about when starting a social business*

‘Capitalism is a grossly flawed system,’ said Professor Yunus at LSE Entrepreneurship’s event, held during Global Entrepreneurship Week in November. ‘It is based on a misinterpretation of human beings – it assumes they are selfish and they only want to chase money.

‘Real human beings are not money-making robots,’ he said. ‘What about selflessness? This means the existing capitalist structure is standing on one leg. It offers only one type of business – the money-making kind. We need alternative businesses to solve problems.’

His organisation, **Yunus Social Business**, is a social accelerator that finances and incubates local entrepreneurs in seven countries around the world, and supports the type of alternative businesses that Yunus believes can address the misbalance of traditional capitalism.

There is clearly a lot of interest in setting up this type of organisation. About six months ago, **Yunus Social Business** announced that they would fund the top ten social business ideas submitted to them in Tunisia. They expected to receive about 100 business plans. ‘We received over 2,300. Suddenly, selection became a very big job,’ said Muhammad Yunus.

**‘Think the biggest problem, then solve the thinnest slice’**

So how do you create a good social business idea? Muhammad Yunus offered his advice on how to come up with a concept:



Nobel Peace Laureate Professor Muhammad Yunus at LSE during Global Entrepreneurship Week



Professor Muhammad Yunus spoke to LSE Entrepreneurship Director Professor Alnoor Bhimani

‘Make a list of all the problems you see – poverty, unemployment, climate change, drugs, old age, sanitation, healthcare. Then look at the list and find one you want to solve. All social businesses start small.

‘For example, take unemployment, then youth unemployment,’ he continued. ‘That’s still a big problem so take a little slice of it – solve it for five unemployed young people. Then create a business where these people will have salaries, that covers costs and gets money back. Plough profit into business and expand.’

‘But what will be that business – think about what will make this happen. That’s the essence,’ he concluded.

A podcast and video of this event is available to download from [A Conversation with Professor Muhammad Yunus](#).

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