

# **7<sup>th</sup> Death Anniversary – A Tribute to Dr. Akhter Hameed Khan**

By Nasim Yousaf

October 9<sup>th</sup> marked the death anniversary of Dr. Akhter Hameed Khan. He left us seven years ago but his teachings and concepts have continued to revolutionize the world. Professor Muhammad Yunus' winning of the 2006 Nobel Peace Prize is not only an honorable achievement for him but it is also a tribute to Dr. Akhter Hameed Khan, as Khan sahib laid the foundation of microcredit (microfinance) in Comilla academy in Bangladesh.

It is of great importance for us to remember and learn from Dr. Akhter Hameed Khan, who was the originator of the idea of microcredit and of many key advancements in development and poverty alleviation.

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A rare giant among men, Dr. Khan pioneered the microcredit concept that would change the finance arena, and he did so in an inconspicuous and uncelebrated manner! Prior to his microcredit scheme, banks were highly reluctant to sanction loans to the poor without any collateral. Their doors were closed to billions of people around the world, because these poor souls did not have a verifiable credit history, had nothing to offer to secure a loan and were essentially seen as a credit-risky population. NOBODY realized that among these poor people were those who were highly talented, honest and hard working. If given the opportunity, they could lift themselves out of poverty and become productive contributors of the economic and financial sectors. However, the banks served only the already privileged and perpetuated the gap between the poor and rich. The poor had no choice but to depend on charity or private lenders, who took all of the profits, leaving the poor poor.

A new solution was desperately needed. Dr. Khan introduced the revolutionary idea of microcredit, thereby opening a new door for billions of destitute and underprivileged. As head of the Pakistan Academy for Rural Development (now Bangladesh Academy for Rural Development, BARD) in Comilla, Bangladesh, Dr. Akhter Hameed Khan pioneered microcredit through a farmers/village cooperatives program. Hence, the first microcredit poverty alleviation project was started at this academy.

Dhiraj Kumar Nath, Secretary, Rural Development and Co-operatives Division, presented a paper in the International Seminar held on 8<sup>th</sup> - 9<sup>th</sup> January 2003 in Dhaka, Bangladesh on "Attacking Poverty with Microcredit." He wrote:

“Comilla Model’ developed by the Bangladesh [then East Pakistan] Academy for Rural Development (BARD) in 1960. This model was also largely based on a group approach and providing micro-credit to the co-operators.”

Khan Ferdousour Rahman wrote in *The Financial Express* of Dacca, Bangladesh on August 10, 2006, under the title “Micro-credit operation: Should the MFIs pay tax or not?”:

“Perhaps, no other development tool has attracted so much global attention in the history of poverty-focused development efforts than micro-credit... Mr. Akhter Hamid Khan of Bangladesh Academy for Rural Development (BARD) started it in Comilla in the then East Pakistan.”

I remember a visit to Dr. Khan’s house in Comilla in 1969. While in Comilla, I had firsthand experience of the tremendous respect and love that Dr. Khan and his family received from everyone. This was apparent from the people I met and all the photos of Dr. Khan that I saw in various shops, houses and other places.

Few months prior to the fall of Dacca, Dr. Khan, who loved the people of Bangladesh, very reluctantly moved to Pakistan. But in Pakistan too, people loved Dr. Khan. In 1980, he founded the Orangi Pilot Project (OPP), a poverty alleviation project, in Karachi, Pakistan. OPP also introduced the microcredit scheme in the 1980s.

Meanwhile, the Grameen Bank was born in 1983 in Bangladesh and was based on the concept of microcredit / microfinance initiated in Dr. Khan’s rural academy at Comilla. Professor Yunus institutionalized Dr. Khan’s microcredit scheme through the Grameen Bank and made history in the arena of poverty alleviation. Indeed! Professor Yunus deserves heartiest congratulations for his unparalleled accomplishment.

Professor Muhammad Yunus, you may call him a disciple or an admirer of Dr. Khan, sent a letter on the occasion of a symposium held in Islamabad on the Life and Times of Dr. Khan (March 02-05, 2000) and praised Dr. Khan:

“He was one of the greatest human beings of the past century... Dr. Khan needs to be rediscovered... We have a lot to discover and a whole lot to learn from him.”

In Pakistan, following Dr. Khan’s proven experiments, the Khushali Bank was set up in August 2000. This was the first major initiative to bridge the demand for microfinance services.

The then Governor of State Bank of Pakistan, Dr. Ishrat Hussain, privileged me with his comments on Dr. Khan, in his letter dated September 10, 2001. He wrote:

“The recent initiatives taken by us in establishing Khushali Bank and the Microfinance institutions in the private sector are a testimony to the robustness of the approach adopted by him [Dr. Khan] and the leadership provided by Doctor Sahib in this field.”

In his address at the Dr. Akhter Hameed Khan Memorial Lecture in Islamabad (May 23, 2002), the President of Khushali Bank, Ghalib Nishtar, appreciated Dr. Khan and his concept. He stated:

“ ...in the context of poverty alleviation and Micro-finance, we all know the Comilla and the Orangi Pilot Projects, which are the very role models for development institutions around the world...”

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Indeed, Dr. Khan's ideas have revolutionized banking and economic / human development and are playing a pivotal role in poverty alleviation around the world. Dr. Khan's concepts and ideas proved to the world that the poor were creditworthy, and that if given the opportunity, their energies could contribute positively to economic activity. This stunned the *gurus* of the finance world, and today, this concept has been replicated in many countries around the globe. Microcredit terminology did not even exist in the finance arena, until the idea was initiated by Dr. Khan.

In the words of Dr. Ishrat Hussain, when he was at the World Bank:

“...Today micro-credit has become a buzzword in the lexicon of development practitioners for poverty alleviation throughout the world but 35 years ago this idea was pioneered in Comilla.”

Microcredit and microfinance have expanded and grown tremendously since the origination of the idea by Dr. Khan. As a result of Dr. Khan's original efforts and the efforts that followed from other development experts, such as Professor Yunus, microfinance exploded on the global scene. Today, with the microcredit / microfinance system in place in many countries, access to loans and other financial services, regardless of gender and economic status, have paved the way for poor to earn their livelihood with respect and dignity. This has brought self esteem to the poor and has substantially contributed to removing socio-economic imbalances and promoting economic development around the globe.

Today, BARD, established in 1959 by Khan sahib, continues to play an important role, and the academy is known, at home and abroad, for its evolved model “Comilla Approach to Rural Development.” BARD was given the National Award in 1986 for its outstanding performance and contribution in rural development.

Dr. Khan's Orangi Pilot Project also continues to make significant contributions to development. Besides implementing its own projects, it also serves as a training institution. A large number of non-governmental organizations, non-profit organizations, advisors, consultants, students, and the like, from Pakistan and abroad, visit and learn from OPP's experiences. For example, the National Commission for Human Development, which started in Pakistan in 2002, operates on similar concepts and conducts similar projects in the social sector, as what Dr. Khan had applied in the OPP.

In addition to creating institutions, Dr. Khan also trained countless number of people, including officers of the Civil Service of Pakistan (CSP). Ex-President of Pakistan, Sardar Farooq Ahmad Khan Leghari and Ex-Governor State Bank, Dr. Ishrat Hussain, are among his pupils, who took the training at Comilla as CSP officers.

Dr. Khan was a mentor for renowned personalities of Pakistan and Bangladesh. Those who learned from Dr. Khan have made great contribution towards human development within their respective areas of expertise in Pakistan and Bangladesh. Their contributions are being well-acclaimed. Besides the respected and great humanist, Professor

Muhammad Yunus, at least four others have earned the Ramon Magsaysay Award from the Philippines. Those great men are:

- Shoaib Sultan Khan in 1992 (Pakistan)
- Tasneem Ahmed Siddiqui in 1999 (Pakistan)
- Tahrunnesa Ahmed Abdullah in 1978 (Bangladesh)
- Mohammad Yeasin in 1988 (Bangladesh)

Indisputably! Khan sahib was a pioneer of development methodology in the true sense. His innovative approach to non-governmental / non-profit organizations shaped human development around the world.

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Dr. Akhter Hameed Khan left us on October 09, 1999. On his death, media and many distinguished personalities and organizations from around the globe, paid rich tributes to this great soul of the 20<sup>th</sup> century. From among those who always admire him, I cannot exclude Shoaib Sultan Khan, who requires no introduction. Shoaib Sultan Khan, a distinguished and well acclaimed personality of Pakistan, paid his tribute to Khan sahib, which I had the privilege of quoting in a biography of Allama Mashriqi and Dr. Akhter Hameed Khan that I wrote a few years ago. Shoaib Sultan Khan stated:

“In all my travels throughout the world, I have never come across a person of the stature of Akhtar Hameed Khan. I sometimes wonder did Pakistan really make the best use of his unique experience with which he was so willing and keen to benefit his countrymen and women. But now it is too late even to ask this question. The country has missed an opportunity of a century.”

On Dr. Khan’s death, the World Bank wrote:

“While his long and distinguished career in social service is replete with success stories, the Orangi Pilot Project deserves special mention for providing, among other things, a sewerage system to one of the largest settlements in Asia on a self-help basis, and introducing micro-credits to disadvantaged individuals to help them earn a respectable livelihood.”

With Khan sahib’s death, poor people around the globe felt orphaned. But Dr. Khan left behind his methodology and techniques, from which billions of deprived people continue to benefit and will continue to do so for a long time to come.

A web site dedicated to Dr. Khan:

<http://www.akhtar-hameed-khan.8m.com>

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