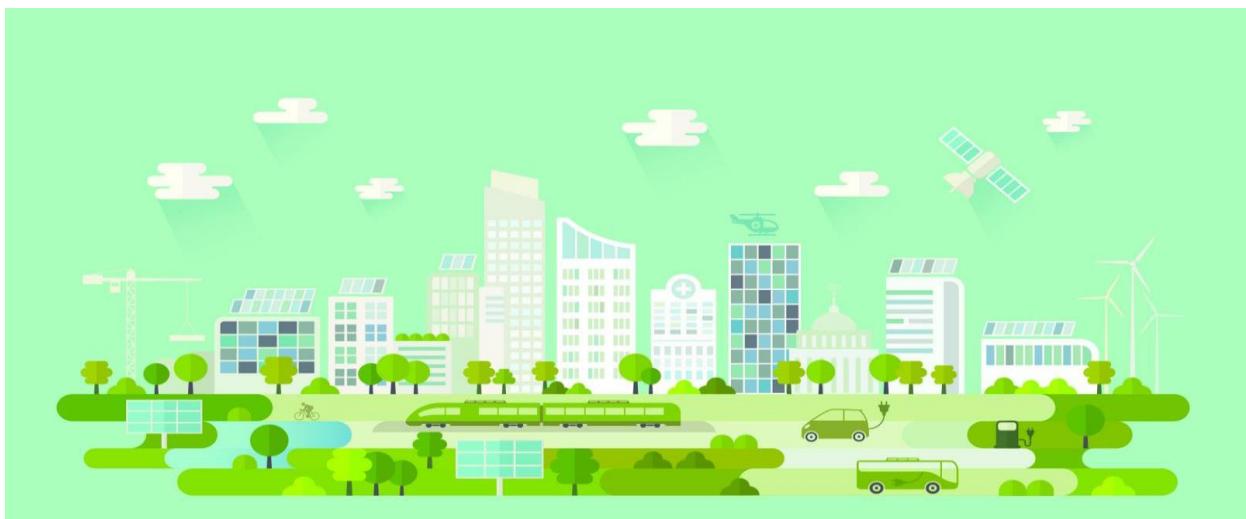




# Internship Report on Social Business for Sustainable Economic Development



# Internship Report on Social Business for Sustainable Economic Development

## **Submitted To:**

**Md. Kamruzzaman**

Senior Lecturer

Department of Business Administration

Faculty of Business & Entrepreneurship

## **Submitted By:**

**MD. Tanvir Ahamed Tuhin**

ID # 152-11-4701, BBA (Finance)

Department of Business Administration

Faculty of Business & Entrepreneurship

**Date of Submission: January 9, 2019**

## Letter of Transmittal

---

Date: January 9, 2019

**Md. Kamruzzaman**

Senior Lecturer

Department Of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

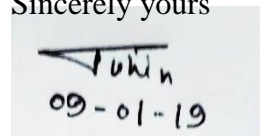
### **Subject: Submission of Internship Report**

Dear Sir,

It gives me immense pleasure to have the capability to handover the internship report on “**Social Business for Sustainable Economic Development**”. This internship program has furnished me the chance to work with “Social Business Creation” competition organizers, to solve **Social Problems** to achieve **Sustainable Economic Development** with the power of Business. Apart from the academic knowledge gained through this internship program and preparation of this report has given me the chance to find out about the whole mechanism of social business. I believe that the expertise I acquired from this study will be an invaluable asset in my life.

It has to be mentioned further that without your skilled recommendation and cooperation, it would not be possible to finish this report. Please give me your judicial recommendation on my effort and grant my paper to satisfy the requirements of the BBA program.

Sincerely yours



Tuhin  
09-01-19

MD. Tanvir Ahamed Tuhin

ID # 152-11-4701, BBA (Finance)

Department Of Business Administration

Faculty of Business and Entrepreneurship

## Letter of Approval

---

This is certify that **MD. Tanvir Ahamed Tuhin, ID # 152-11-4701, BBA (Finance)**, is a regular student of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. He has successfully completed his required course for internship program from HEC Montreal, Canada through online module and participated in Social Business Creation Competition 2018. He has prepared this internship report on the theme of **Social Business** under my direct supervision. His assigned internship topic is “**Social Business for Sustainable Economic Development**”. I think that the report is worthy of fulfilling the partial requirements of BBA program. I also declare that the study has been prepared for academic purposes only and this paper may not be used in actual market scenario.

I have gone through the report and found it a well written report. He has completed the report by himself. I wish him every success in life.



---

**Md. Kamruzzaman**

Senior Lecturer

Department Of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

## Acknowledgement

---

It is for sure an extraordinary delight to have the chance to submit the internship report successfully. In the process of preparing this report, at the very beginning, I am extensively grateful to Almighty Allah for giving me the strength and patient to make such an authentic report.

I would like to convey the heartiest gratitude to my honorable supervisor **Md. Kamruzzaman**, Senior Lecturer, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. For consistent instruction and guidance to prepare this report properly and also for consistent help during the course and competition period.

I might want to demonstrate my appreciation to **HEC Montreal** University. Especially **Dr. Mai Thi Thanh Thai** (Associate Professor, Department of Entrepreneurship and Innovation, HEC Montreal). For providing me a wonderful opportunity and guidance to learn about Social Business as well as implementing the learnings at the same time during the course period.

My true appreciation goes to team **Pedicare**, International Runner-up team of Social Business Creation Competition 2016 from Daffodil International University for their continuous guidance during the competition period. They were truly very co-operative and friendly in nature. Without their mindful assistance, it could be very difficult to complete the competition and this report successfully.

I would also give thanks to the university authority for providing an excellent computer lab and library facilities.

## **Abstract**

---

By making poor people owner of a business or enjoying the business by serving them with product or services without taking any personal profit is the concept of social business which stands on seven principles created by noble laureate Professor Dr. Muhammad Yunus. This study attempts to explore about social business and its possibility toward sustainable development.

Today's civilization is in wrong track. To protect the civilization and make a better world United Nations provided 17 sustainable development goals to fulfill within 2030. Social business created a new dimension and showed an innovative way to achieve these goals by doing business at the same time solving social problems. This study will cover all detailed information social business, how it works, how it generates profit, business model and types of social business, social challenges in Bangladesh, already running social businesses etc. At the same time this report will also cover how social business can help to achieve sustainable economic development by solving these social challenges.

# Social Business for Sustainable Economic Development

## Table of Content

CHAPTERS	PARTICULARS	PAGES
CHAPTER-01	Abstract	VII
	<b>Introduction</b>	<b>1-5</b>
	1.1. Introduction	2
	1.2. Background of the Study	3
	1.3. Scope of the Study	4
	1.4. Objectives of the Study	4
	1.5. Methodology of the Study	4
	1.6. Limitations of the Study	5
CHAPTER-02	<b>Social Business Overview</b>	<b>6-11</b>
	2.1. Social Business	7
	2.2. Types of Social Business	8
	2.3. Social Business Model	9
	2.4. Seven Principles of Social Business	10
CHAPTER-03	<b>Social Business for Sustainable Economic Development</b>	<b>12-22</b>
	3.1 Sustainable Development	13
	3.2 Sustainable Development Goals	15
	3.3 Social Business for Sustainable Economic Development	18
	3.4 Contribution of Social Business toward Sustainable Development in Bangladesh	21
CHAPTER-04	<b>Social Challenges and Opportunities in Bangladesh</b>	<b>23-28</b>
	4.1. Social Challenges in Bangladesh	24
	4.2. Social Business Opportunities in Bangladesh	26

<b>CHAPTER-05</b>	<b>Findings, Recommendations &amp; Conclusion</b>	<b>29-33</b>
	5.1. Findings	30
	5.2. Recommendations	31
	5.3. Conclusion	32



## **Chapter: 01**

# **Introduction**

## **1.1. Introduction**

The concept “Social Business” introduced a new dimension for free market economy. It is a business model that does not focus on maximizing profit rather it focuses on solving social problems, where traditional business focuses on profit and wealth maximization. Although the social business is pioneering in its aims the management of social business follows the traditional way.

In every aspect social business is sustainable. The workforce of social business is skilled and that they get market competitive wages as well. It focuses on social issues, its direct environmental impact, its impact down the value chain, and in its financial independence. Unlike a charity, a social business makes profit to be financially sustainable. Once investment in the business by investors are repaid successfully, business grows in its own way to cover more area to solve the problem completely.

The idea of social business first introduced by Nobel laureate professor Dr. Muhammad Yunus with the vision of removing global poverty. United nation is working continuously to end poverty in all its form. Practice of social business can be a faster and easier way to achive sustainable development goals provided by the United Nations. Currently Yunus Social Business Center is working in 11 location in 10 countries to promote social business and obtain sustainable development.

## **1.2. Background of the Study**

At the beginning of 1980 several countries more and more businesses and organizations began to pursue social interest rather than profit within the rule of free market. Reasons for this are to be found in the inadequacy of both the traditional businesses and of the govt. policies to respond to social problems. It took many years for the governments to recognize a form of business where the ultimate goal is not profit, but social development. On January 01, 2016 United Nations targeted seventeen sustainable development goals to obtain by 2030 to make a better and sustainable world. Among these goals “No Poverty, Good Health and Wellbeing, Gender Equality, Affordable and Clean Energy, Decent Work and Economic Growth” are the five goals to obtain as early as possible. These five goals are also known as “The Big Five” goals.

With the target of solving humans problems, “for example: creating an income source for poor or providing them with essential products and services like healthcare, clean water or clean energy” Professor Dr. Muhammad Yunus invented the concept of Social Business. As Social Business and Sustainable Development Goals by the United Nations has a common vision, Social Business can be an innovative dimension to obtain sustainable development. Different program like Social Business Creation, Social Business Summit etc. are working hard to promote social business and creating different opportunity to become a Social Business entrepreneur.

Ellie Ward from British Council said that “Once poverty is gone, we'll need to build museums to display its horrors to future generations.” This is the vision of Professor Muhammad Yunus. It is also the vision of the UN member states that created the Sustainable Development Goals.” (Ward)

### **1.3. Scope of the Study**

This study will cover the necessity of Social Business for sustainable development. To prepare this report successfully an 8 months long course has been provided by HEC Montreal, Canada. Within this time frame all the detailed information about social ventures, how it works, how it is self-sustaining every detail has been provided by HEC Montreal. The tool needed for the study is different online source and Social Business Creation course module. In this study, the target is to solve social challenges like poverty, gender inequality, hunger, health issue etc. with the power of business.

### **1.4. Objectives of the Study**

The Objectives of the study are as follows-

- To know about social business & how social business works
- To know about sustainable development goals
- To find out social challenges in Bangladesh
- To find out how social business can solve social challenges
- To make recommendations to achieve sustainable economic development in Bangladesh.

### **1.5. Methodology of the study**

The research needed for this report is an exploratory in nature. In this report only secondary data has been used.

Sources of secondary data are:

- ❖ Social Business Creation Module by HEC Montreal
- ❖ Yunus Social Business website
- ❖ Yunus Centre website
- ❖ UNDP website
- ❖ Individual Social Business Website
- ❖ Articles and publications about Social Challenges and Social Business

## **1.6. Limitation of the Study**

Lots of facility have been availed to prepare this report successfully and also some obstacles have been faced during the study period. These obstacles are also termed as limitations of the study.

Some of the limitations are as follows:

- ❖ The scheduled time span was not adequate to cover all data.
- ❖ This report is based on mostly qualitative data so further research maybe needed
- ❖ Lack of adequate experience in the particular section of the study
- ❖ Only secondary data sources are used

## Chapter: 02

# Social Business Overview

## 2.1. Social Business

A Social Business is driven to achieve social objectives. Where the investors, as well as owners, get back all of their investment amounts gradually, but they cannot receive any profit or dividend from the business. The purpose of their investment is to solve one or more social challenges through the operation of the company. There is no personal gain for the investors. The business has to cover all of its expenses and be able to generate profit, at the same time the company must achieve social objectives. Such as health care service for poor, housing facilities for poor, financial support for poor people, nutrition for malnourished children, clean and safe drinking water, renewable energy, etc. After a certain time period, the impact of the business on society and environment would measure the success of the social business, rather the amount of profit made by the business. If the business operates normally and is able to make a profit it will start returning the investment amount among the owners and investors. Once all the investments are paid back business will start expanding to reach more people to solve more social problems. This is how social business is self-sustaining.

According to “Grameen Health Care Service” one of the health care service provider company of noble laureate Professor Dr. Muhammad Yunus, A social business must follow 3 criteria. These criteria are as follows:

- **Social objectives:** It needs to have positive social objectives (help comes from the altruistic social services that the business provides to the poor): e.g. health, education, poverty, environment or climate urgency
- **Non-profit distribution:** Investors cannot take profits out of the enterprise as dividends.
- A business may also be classed as a social business if is owned by the poor, and therefore the profits directly work to achieve the social objectives of the business, hence this second definition. (Grameen Health Care Service)

The main difference between a social business and profit-maximizing business is social business is not for personal money making business rather it is for addressing social challenges and doing social welfare. The only reason for earning profit is for sustainability. Where a profit-maximizing business runs their operation to maximize firm value for personal benefit of owners and investors. Corporate social responsibility is an additional as well as optional for them. On the other hand,

Social business is not charity. It makes a profit to expand the business area to help more people, for the development of society, environment, and economy. Charity money has only one life. When the charity money finishes it needs more donation. According to Dr. Muhammad Yunus “A charity dollar has one life, a Social Business dollar can be invested over and over again” (Yunus Social Business, 2011)

## **2.2. Types of Social Business**

In a social business, poor must be benefited but anyone can own social business. It makes a complexity whether poor can own a social business or not. Because if poor people do not get any profit or dividend then the social objective is not achieving. To solve this issue social businesses are divided into two categories. These categories are as follows:

**Type 1:** Business must focus on social objective to achieve and also business must make profit. The owner or investors of this kind of business cannot take any dividend or profit also owners cannot be poor. But business has to cover all the expenses through the business operation. The reason to operate the business for owners is to solve social problems.

**Type 2:** Business must focus on social objective to obtain and also business must make a profit. The objective must be solving one or more social problem. In this category of social business, the business owner is must be poor and can take profit from the business. So, if owner or investors take dividend they are becoming sufficient. It is also fulfilling a social objective.

This category also describes that poor may not get the dividend if the product is made by the poor and the product is exporting abroad and gain high profit. The workforce of the business will get a higher salary and they will be benefited. (Grameen Healthcare Service)



### 2.3. Social Business Model

Social Business Model will depend on individual business structure and there is no preplanned model for every social business. The following diagram will provide an overall concept on social business:

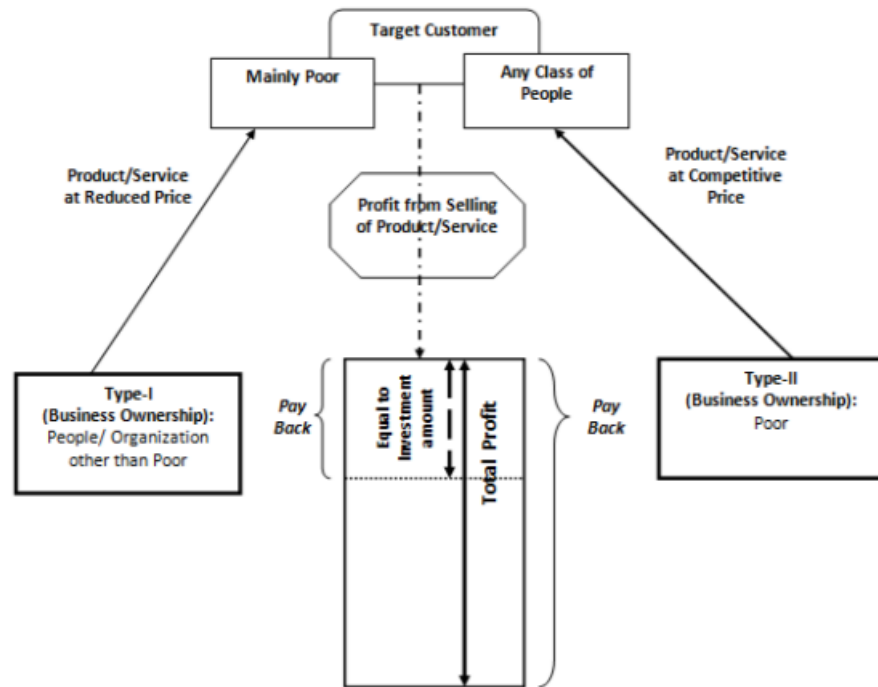


Figure 1: Social Business Model (Australia and New Zealand Journal of Social Business, Environment, 2016)

According to the diagram social business can be owned by any class people. If the social business owned by poor people they can sell the product to any class person at market competitive price. They will get their investment back and will get dividend as well.

On the other hand, if the business owned by people or organization other than poor they will sell the product or service to the poor at a reduced price to make minimum possible profit. They will get back their investment money only. One exception can be added to the diagram is if the business cannot be able to make any profit by selling at reduced price they may sell their product at competitive price to the customer other than poor.

## 2.4. Seven Principles of Social Business

Social business stands on seven principles developed by peace noble laureate Professor Dr. Muhammad Yunus. Following discussion will be covered about seven principles of social business and how social business differs from traditional business:

- 1. Objective of the Business:** While traditional business starts their operation focusing on generating profit or maximizing wealth, social business starts with an objective of addressing social problems and designing a business to solve social issues. The second priority of social business is profit maximization so that business can sustain. Owners of the business do not get any personal benefit where traditional businesses operate for personal gain.
- 2. Financial and Economical Sustainability:** Social business must be financially sustainable as well as economically viable so that the business can return all the investment. Financially sustainable means business is making profit at normal business operation after meeting all the costs. If the business can be financially sustainable it can contribute to the whole economy.
- 3. Investment & Dividend Policy:** In social business, investors get back their investment amount only. Investment amount will be paid gradually. No dividend is given beyond investment money. But as an employee, owners can take market-competitive wages.
- 4. Retained Earnings policy:** When the investment amount by investors or owners paid back successfully, profit of the business stays with the Business. Company expands their operating area to catch more people or more social objective.
- 5. Environment-Friendly:** In maximum case, traditional businesses do not have proper wastage management. These businesses can be harmful to the environment as well as for society. But a social business cannot be environmentally harmful. So, that the country can sustain for a long time period.

6. **Market Competitive Wages:** Though social business is driven through a social objective, the workforce is living in the present age. They can be poor or sufficient but they have to bear their daily expenses. So, social business must offer a market competitive wage.
7. **Work with Happiness:** The happiness of traditional business owner comes from the success of business in term of profit/wealth maximization but the happiness of social business comes from contributing to society, a selflessness work. Owners and workforce have to be happy for what they are doing for the business.

A social business is designed and operated as a business enterprise, with products, services, customers, markets, expenses, and revenues—but with the profit-maximization principle replaced by the social-benefit principle (Yunus, *Creating A World Without Poverty: Social Business and The Future of Capitalism*, 2008).

## Chapter: 03

# Social Business for Sustainable Economic Development

---

### 3.1. Sustainable Development

Sustainable development can be defined in various way. But most widely known is “Sustainable development is meeting desires of the current generations without compromising the ability of future generations to fulfill their own needs.” (Brundtland Report)

Sustainable development is based on three factors of sustainability: A viable natural environment, a sufficient economy, and a nurturing community.

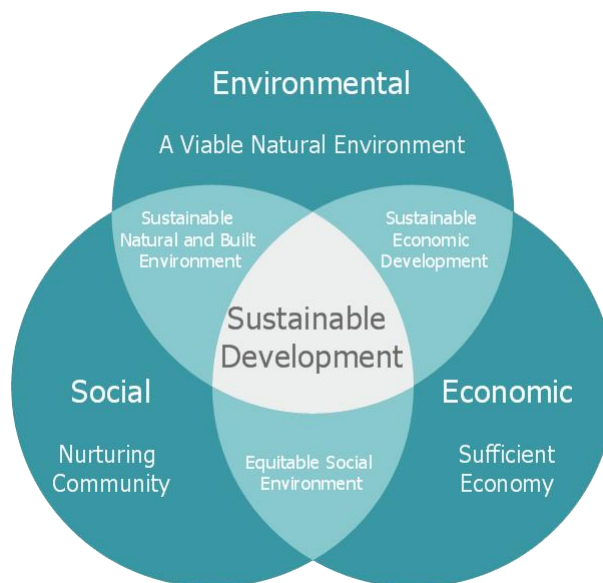


Figure 2: Sustainable Development

To obtain sustainable development these three criteria must be fulfilled. Social and Economic growth makes equitable social environment, Social and Environmental growth makes sustainable natural and built environment, Environmental and economic growth makes sustainable economic development. Every criterion has some point to be achieved. These points are:

#### **Social:**

- ❖ Opportunities should be distributed equally
- ❖ Respect for each individual should be same
- ❖ Human rights should be fulfilled
- ❖ No diversity among nations or religion

**Environmental:**

- ❖ Proper Bio-Diversity management
- ❖ Zero carbon emissions to air
- ❖ Proper and planned water chemical uses
- ❖ Proper management of keeping forests

**Economic:**

- ❖ Consistent and profitable economic growth
- ❖ Proper risk management
- ❖ Adequate return from investments
- ❖ Planned infrastructure for industry development

When only social and economic stability obtained, employment growth becomes higher, local business growth becomes higher. If social and environmental stability obtained, Health and safety of humans become stable, the climate becomes positive. If economic growth and environmental stability obtained resource efficiency become higher, energy efficiency becomes higher. So achieving all these three factors will lead the world toward sustainable development.

### 3.2. Sustainable Development Goals



Figure 3: United Nations SDGs

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect and in order to leave no one behind, it is important that we achieve each Goal and target by 2030 (United Nations). In 2015 United Nations targeted 17 goals. Achieving these goals will lead the present civilization to a new era. 17 targeted goals are:

- 1. End poverty in all its forms everywhere:** UN targeted to end the poverty in a stable form. So that without any charity people can bear their daily expenses. Sustainable development's first goal is to reduce extreme poverty which is per head expenses is under 1.25 USD per day.
- 2. Zero Hunger:** People all over the world should access safe and nutritious food. All children should get out of malnutrition. This goal also include increased productivity of agriculture and food production.

- 3. Good Health and Well-being:** Every person should access proper healthcare service and live with a sound health. Main target of this goal is reducing maternal mortality rate, child mortality rate, fight against communicable diseases like AIDS, malaria etc. and finally overall mortality rate.
- 4. Quality Education:** Education is the key to prosperity and it opens a world opportunities. Providing education to all will help the society to be healthy. United Nations targeted a free education for all at primary and secondary level. It also includes technical education and skill improvement.
- 5. Gender Equality:** Discrimination between male and female reduce the potentiality of economic growth also it deny to live their life fullest. So this goal targets to end discrimination and violence against woman and girls.
- 6. Clean Water and Sanitation:** Water is an essential element to survive but it may cause unnecessary death. Safe and affordable drinking water and proper sanitation can reduce this mortality rate. This goal also includes efficient use of water so that wastage of water can be reduced,
- 7. Affordable and Clean Energy:** Dependency on fossil fuels is unsustainable and harmful for the environment and it is also a big reason for climate change. For this reason United Nation is focusing on affordable renewable energy like solar energy and increasing efficiency of energy.
- 8. Decent Work and Economic Growth:** A growing stable per capita income, efficiency in production and consumption and policies that promote job creation and entrepreneurship is the main focus of this goal.
- 9. Industry, Innovation and Infrastructure:** To meet future challenges, our industries and infrastructure should be upgraded. For this, we need to promote innovative sustainable technologies and ensure equal and universal access to data and financial markets. This may bring prosperity, create jobs and certify that we build stable and prosperous societies across the world.
- 10. Reduce Inequality:** A huge number of the total world's wealth is held by a very little group of people. This often leads to financial and social discrimination. In order for nations to flourish, equality and prosperity should be available to everybody - regardless of gender,



race, religious beliefs or economic status. When each individual is self-sufficient, the whole world prospers.

- 11. Sustainable Cities and Community:** Population of current world is growing rapidly. To accommodate everybody, modern, sustainable cities must be developed. To survive and prosper, a new, intelligent urban designing will be needed that makes safe, affordable and resilient cities with green and culturally inspiring living conditions.
- 12. Responsible Consumption and Production:** Resources in the earth is limited. So sustainable management of natural resources and a planned consumption is needed to keep environment safe. There should be a sustainable consumption and production framework.
- 13. Climate Action:** Climate change is a real and undeniable threat to our entire civilization. The effects are already visible. Through education and innovation, necessary action should be taken to protect the planet. These changes also provide huge opportunities to modernize our infrastructure which will create new jobs and promote greater prosperity across the globe.
- 14. Life below Water:** Clean and healthy oceans and rivers are essential because 70% of our planet covering with water and we do rely on these for food, energy and water. So water pollution and must be reduced and protect ecosystem.
- 15. Life on Land:** Humans are not the only creature of the world. Thousands of creature are living on land and they are also a part of ecosystem. To maintain this ecosystem and sustainability of earth forests must be managed sustainably, at the same time desertification should be reduced.
- 16. Peace, Justice and Strong Institution:** World without war and violence and peace all over the world is the main target of the goal. Children must be protected from abuse and violence. Need equal law for all and access of justice for all to make a sustainable world.
- 17. Partnership for the Goals:** Main focus of the goal is to work together. Investment throughout the world can take part to overcome all the problems and obtain sustainable development.

### 3.3. Social Business for Sustainable Economic Development

The social business itself is one of the goals of sustainable development. Number 17 goal of sustainable development provided by the United Nations is partnership for all other goals. If a business runs to solve any one of these goals and maintain seven principles of social business can be defined as social business. It can be a true and better alternative of charity. Social business is also one step ahead from social entrepreneurship, where profit maximization companies are decades behind than social business.

Following figure will discuss position of social business toward sustainable development comparing other related business or activities:

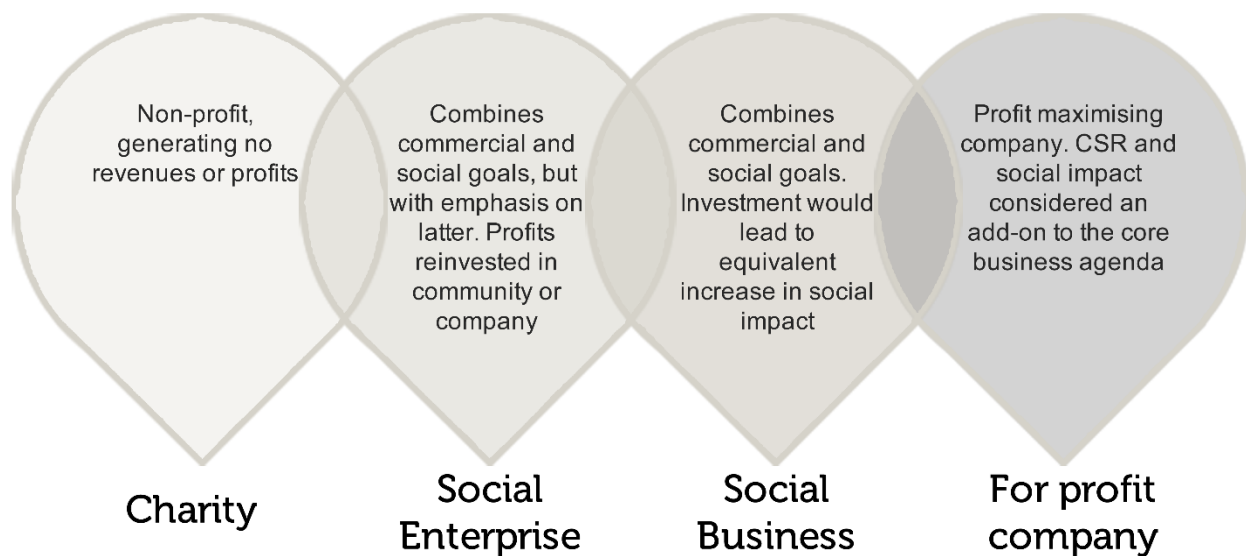


Figure 4: Position of Social Business, Other Businesses and Charity

Charity is also known as donation. Different organization or person work for social problems with charity or donation money. Where a number of people or organization donate and some people and organization work for distributing that money to the poor. They do not make any profit. Poor peoples can be benefited with charity money but it is not sustainable. Truly it does not solve a social problem. Because charity money ends after a certain period of time and needs donation again and again. Actually, it does not effect on sustainable development because it is not a long-term solution to any social problem.

For-profit companies maximize their owner's wealth but they can perform corporate social responsibilities. It is not mandatory to perform CSR activities but if an organization wants it can perform CSR. It also creates a short-term benefit for society. On the other hand, if the company does not maintain carbon emission, manage wastage properly it highly hampers environment. Lives on land and underwater. So they can be a barrier for sustainable development.

Social entrepreneurship is mostly like social business but not the same. Although social entrepreneurs run their business to fulfill a social objective, to solve a social problem there is no rule regarding pricing or dividend. They can set a market competitive price and owners of the business can take the dividend. Which makes a barrier to solve more social problems or cover more area.

Social business is few steps ahead among all these business or activities. If business starts to solve health problem or nutrition problem of a specific area and target customers are poor, social business will offer the product or service at a reduced price. Social business will create employment for poor unemployed people also social business will keep the profit after returning all owner's money. Then it will expand with its own money to solve social problems. As United Nations does not support charity for sustainable development and wants to remove poverty in all its forms everywhere and social business concept created to remove poverty from the globe, it is the best way to obtain sustainable development.

Forming a social business has a cycle. Following figure will help to understand how to design or develop a social business.

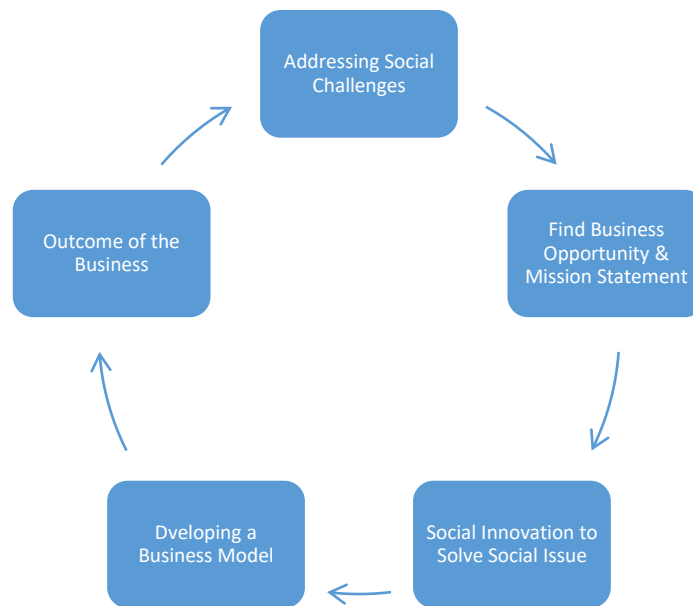


Figure 5: Social Business Process

Social business always starts with a problem finding. It must find out one or more social challenges to be solved. From the social problem, social business starts planning how the problem can be solved by doing business. Business needs to find different opportunities to solve the problem. Opportunities for solving the problem can be measured with few criteria like how deep the social problem is, how much knowledge the entrepreneur has to solve the problem, how much innovation is needed to solve the problem, is it urgent to solve the problem immediately, is the problem is accessible or is there any restriction of government to work with that specific problem etc. After determining all the opportunity social business must set a mission to accomplish within a certain time period. Next step from this is the most crucial and difficult step in the total social business process. Because doing business with social challenges is difficult so business needs a social innovation through which business can earn profit. This is not mandatory to bring innovation to social business but business have to make profit. Next social business should develop their own business model through which they will operate the business. As social business follows traditional business management system so business can develop any model which maintains 3 aspects of sustainable development. After that business starts its operation and starts solving social problems. By the profit, business earns it again address social problem in a new area or new social problems.

### 3.4. Contribution of Social Business toward Sustainable Development in Bangladesh

A lot of social business throughout the world is running to obtain sustainable development. Bangladesh is the origin of social business as it starts in Bangladesh for the first time. Several social businesses are running currently to solve different problems. Following information about different social business will provide an idea about how social businesses are solving social problems at the same time fulfilling sustainable development goals.

- **Grameen Danone:** Grameen and Danone a food company of France went joint venture in 2006 to create a yogurt named “Shokti Doi” with micro-nutrients to decrease malnutrition for the children of Bangladesh. Grameen Danone also aims to reduce poverty by creating business and employment opportunities for local people since raw materials including milk needed for production, will be collected from local people. A 50 grams cup of yogurt cost only 10 BDT and salesperson of the yogurt are local poor people. Both Grameen and Danone have agreed not to take out any of the profits from the company. Instead, they will invest these for the creation of new opportunities for the welfare and development of people. The yogurt is produced with solar and biogas energy and is served in environmentally friendly packaging. By operating this business Grameen Danone is helping to achieve several sustainable development goals.
- **Grameen Veolia:** Grameen Healthcare Service (a Grameen subsidiary for health and hygiene) and Veolia Water AMI (Veolia Water's subsidiary for Africa, the Middle East, and the Indian subcontinent) went joint venture to serve rural people with safe and clean water. This business started in a union now it is running in five unions. They are covering no poverty, good health and wellbeing, clean health and sanitation and decent work and economic growth goals.
- **BASF Grameen:** Grameen and BASF (German chemical company and the largest chemical producer in the world) went joint venture to prevent malaria. Because there are several areas in Bangladesh where there is a high risk of catching Malaria (5800 newly infected in 2007). The product of the business is a mosquito net under which people will sleep. Five hundred thousand nets have already been produced by the company. The idea of the joint venture was to develop affordable products for the poor that could protect them

from deadly diseases. Grameen BASF has also started the production of micronutrient sachets to sprinkle on food, which provides essential nutrients that are missing from the poor daily diets. This company helped to achieve good health goal among 17 SDGs.

- **Grameen GC Eye Care Hospital:** On May 12, 2008, Grameen GC eye care hospital were structured as a Social Business Enterprise in Bogra. Facility of the hospital can potentially grow to perform 50,000 examinations, 10,000 cataract operations annually. This organization is also working for the sound health of rural poor people. According to their success, a second branch of the hospital opened in Barishal in 2009 and the 3rd branch opened in Thakurgaon.

According to the above discussion the concept of social business in an innovative way to obtain sustainable development and if poor people run the business they can also take profit from the business. Except for these company, there are more social businesses in Bangladesh who are working for technical education, Renewable energy etc. Social business can help present civilization to achieve sustainable development by 2030.

## Chapter: 04

# Social Challenges and Opportunities in Bangladesh

#### 4.1. Social Challenges in Bangladesh

Though Bangladesh is promoted to developing country from less developed countries. It can be a sign of potentiality of huge economic development, still, Bangladesh haunted by several social problems. Overcoming these problems with social business can create several opportunities. Some of the social challenges are describing below:

- A. Poverty:** Half the world lives on less than \$2.50 a day. That is over three billion people. Over a billion have inadequate access to water, and some 2.6 billion lack basic sanitation. Every third child in the developing world does not have adequate shelter. The sheer scale of the problems of global poverty is overwhelming (Skoll\_World\_Forum). Though the economic condition of Bangladesh is developing by past years, still Bangladesh is facing poverty problem. According to the World Bank record 46 million people in Bangladesh is living in poverty (Wikipedia). Main causes for poverty are overpopulation, lack of education, unemployment, natural disaster etc. According to the household survey by the Bangladesh Bureau of Statistics, 17.6 percent of the population was found to be under the poverty line. That indicates that almost 28 million peoples are expanding less than 1.9 USD which is equals to 160 taka per day. Covering food, housing, clothes, education, and health by this amount is near to impossible.
  
- B. Unemployment:** Unemployment is one of the major social challenges in Bangladesh and also a common problem all around the world. Family dependency in Bangladesh is extremely high. In maximum family especially in rural area earning member is only one person and whole family depend on that person. These people are not interested in the job or employment so they are not considered as unemployed still Bangladesh face unemployment issue. The rate of unemployment in Bangladesh in 2018 is 4.2% which is almost 6.72 million people.
  
- C. Health Problem:** Public health in Bangladesh has markedly improved in the last three decades. Maternal, infant, and child mortality has also been declined. But because of the large population and small economy, Bangladesh faces major health challenges.



Communicable diseases are the most vital factor for death in Bangladesh. Whooping cough, Tetanus, Diphtheria, Polio, Influenza type B, Hepatitis B are major communicable diseases. Without communicable diseases diabetic, eye diseases, heart issue, malnutrition etc. are the most common health issue in Bangladesh. According to the World Health Organization (WHO), there are an estimated 3.05 physicians per 10,000 population and 1.07 nurses per 10,000 population. Health workers are concentrated in urban secondary and tertiary hospitals, although 70% of the population lives in rural areas. Rural peoples are dying for simple diseases due to lack of proper treatment (WHO). As per the “Independent Bangladesh,” we may mention that about 30 percent of dying patients are unable to receive services of a trained physician and about 60 percent of expectant mothers fail to receive a pre-natal check-up. Government contribution for every 200 thousand people is only 50 bed at the public hospital an annual budget for a single person is 2-3 taka for per person annually which is very poor (Independent).

**D. Child Labor:** Child Labor is a very common problem in Bangladesh. About 4.7 million or 12.6% of children are in the workforce. Child labor can be commonly found in agriculture, the garment sector, and in day labor works like construction, breaking brick etc. This large child workforce is doing day-long work every day. This is one of the main reasons for the illiteracy problem of Bangladesh. They cannot afford to go for education because of child labor.

**E. Inequality:** Inequality can be found in several sectors in Bangladesh such as gender inequality, income inequality, inequality of opportunity etc. The world has become modern at the present age but still female in Bangladesh and almost in every country all over the world are facing problems to find jobs and get equal rights as male. Peoples of all classes are not getting equal opportunity to access their rights. Social business can be an opportunity to promote equality among people of all gender and all classes.

**F. Illiteracy and Education:** Education is the backbone of a nation. But in Bangladesh, the number of illiterate people is 43.7 million (knoema). This is one of the main reasons for poverty in Bangladesh. Not only the poverty this problem generates lots of issues to society

like crime, dowry, pollution etc. Government is trying best to solve illiteracy problem but because of a huge number of population they cannot afford to cover all people. At the same time, lots of people in rural areas are not willing to be educated and many families prefer to send their children to work rather send their child to school.

- G. No Access & Unplanned Energy:** Almost 8 million people have no access to electricity and to gas, it is much higher. Clean and renewable energy is the way of sustainable development of the world. Bangladesh is using natural gas as the main fuel of many industries and almost for every household. For electricity coal, nuclear, water electricity plants are being built. But it is harmful to nature and the environment.

Points discussed above are challenges but doing business by solving these problems can be an innovative way to achieve sustainable development. At the same time doing business with the model of social business model can effectively and rapidly solve these social issues.

## **4.2. Social Business Opportunities in Bangladesh**

Although a lot of social challenges are in Bangladesh it opens an opportunity for contributing to the economy by solving these challenges. Following points can be a solution to solve these social problems by doing social business.

- A. Opportunity to Overcome Poverty:** In the fight against poverty, one of the most powerful developments in past years has come in the form of social business. Social business can perform to solve wide range of social problems those are the main causes of poverty. By doing social business different variables like unemployment, malnutrition and health issue, gender inequality, inequality of opportunity, education problems etc. can be solved. So, social ventures opens an innovative opportunity to do business to solve poverty problem from Bangladesh as vision of social business is to reduce global poverty.

- B. Opportunity to Reduce Unemployment:** Every business needs manpower to run their daily operation and social business offer a large number employment opportunity. Also social business has an exception that social business works with vision to reduce poverty. So, social business consider employment for poor people who actually need a job. On the other hand social business offer flexibility to enjoy profit if the owner of the business is poor. So social business offering employment in two ways – By creating new social business and becoming a social entrepreneur, and by creating employment opportunity by creating a social business. For these reason social business can be an effective idea to solve unemployment problem. Grameen is already helping poor people by providing financial services to become entrepreneur.
- C. Opportunity contribute in Health Sector:** As Rates of malnutrition in Bangladesh are among the highest in the world. More than 54% of preschool-age children, equivalent to more than 9.5 million children, are stunted, 56% are underweight (Nutrition Bangladesh Profile). This opens an opportunity to make food products with all the necessary nutrition element and create a business aiming to solve this nutrition issue throughout Bangladesh. Proper number of nutritious food at child age is the base of life time sound health of a person. Health issue such as different communicable diseases, diabetic, heart diseases etc. can be solved by creating social venture. Grameen GC eye hospital is already working in Bogra, Barisal and Thakurgaon to solve eye diseases at much lower cost.
- D. Opportunity to Remove Child Labor:** Because of illiteracy most of the illiterate family prefer to send their child for work rather sending them for getting education. This situation is the result of poverty. These family need this financial backup to live their live. Social business is all about innovation. Creating a business aiming social objective and providing part time employment for poor children according to their age can help them to earn for the family at the same time poor children can go for school.
- E. Opportunity to Reduce Inequality:** By creating female entrepreneur social business can solve gender inequality as well as can solve others social challenges. Grameen Danone Foods ltd. offered sales jobs for female beggars to sell yogurt door to door. Social business

can also offer equal right of employment for both male and female. Providing job opportunity for poor will reduce income inequality and inequality of opportunity.

- F. Opportunity to Provide Quality Education:** A large number of youth is unemployed. Providing technical education to this large number of youth will provide them practical knowledge of different sector. Social business can be formed to provide education of electronic devices servicing, web and software development, graphics designing etc. so that they can earn for themselves without having any job.
  
- G. Opportunity to Provide Sustainable Energy:** Harming natural environment to generate energy is not a sustainable way of development. Instead of creating coal or nuclear electricity plant and using natural gases a social business can be formed with product of renewable energy such as bio-gas plant, solar panel etc. This can cover energy to whole Bangladesh and solve issue with clean and sustainable energy.
  
- H. Opportunities to Solve Others Social Problems:** There are lot more problem in Bangladesh by solving which social business can be formed. Such as creating business which save the lives on earth, reduce pollution, helps to create a sustainable community etc.

From the above discussion it can be said that social business finds social challenges and do business by solving these problems. Social challenges pointed above and solving these challenges also help to achieve sustainable development goals provides by United Nations. By doing business and earning profit, reducing unemployment, reducing poverty social business can play an important role to gain sustainable economic development.

## **Chapter: 05**

# **Findings, Recommendations & Conclusion**

## **Findings:**

This report is an outcome of hard work and deep concentration to Social Business. This report covered overview of social business, sustainable development and link between social business and sustainable development. Overall findings from the report are given below:

- ❖ Social challenges like unemployment, poverty, health issue are big obstacle for Bangladesh to achieve sustainable economic development.
- ❖ A large number of people in Bangladesh are poor because of illiteracy and unemployment.
- ❖ Quality of education is comparatively lower in Bangladesh.
- ❖ Malnutrition along with different communicable diseases is a bigger health issue in Bangladesh.
- ❖ Child labor is a bigger challenge to make them educated and it is also a risk of their life.
- ❖ Using natural gas and generating electricity with coal is harmful for society and environment.
- ❖ Managing initial investment and financing for social business can be hard, as social business does not offer any return on investment.
- ❖ Generating profit by solving social issues can be difficult.

## **Recommendation:**

Some problems and findings has been discovered by doing this study. These problems needs some solution to truly sustain the business. Following points can be some potential solution of these findings:

- ❖ Social business offers entrepreneurship and employment opportunity for sustainable economic development and for reducing poverty.
- ❖ By creating employment opportunity for children according to their age at the same time educating them can solve illiteracy problem.
- ❖ Social business can offer vocational education for poor to reduce unemployment problem at same time it will contribute to economy.
- ❖ Social business of food products with all nutrition ingredient can solve malnutrition issue among children. Also providing healthcare service for rural people will solve other health issues.
- ❖ Social business of bio-gas and solar system can provide clean and sustainable energy. At the same time all people will be able to access energy.
- ❖ Existing companies of all shapes and sizes can choose to devote a part of their annual profit to social business to solve investment issue.
- ❖ A social business stock market can be created where only social businesses will be listed. People who want to do something for betterment of the world and they do not want any dividend in return, can invest as per their ability so that small ability becomes a bigger solution.
- ❖ CSR department of companies and charity donor can invest in social business rather donating, as social business is a sustainable way to solve social problems.
- ❖ Two step pricing model can be followed for social business. So that they can sell the product to poor at lower price sell the same product at competitive price with different packaging to higher class people.

## **Conclusion:**

Social Business is at its early stage and only future will be able to tell about its impact on the society. Social Business has at least created a bit of shake to the business world and helped people rethink about there is a different way to do business to achieve sustainable development.

Social business runs with its own money in a self-sustaining way by addressing social issues. In social business poor people get more benefit by getting products/services at lower price or starting social business and enjoying profit. By fulfilling social needs and keeping the environment clean social business helps to reduce social challenges to achieve sustainable economic development. The conception is currently being considered as an instrumental tool towards economic development through the demolition of poverty. As social business is a new concept, implication of social business is not yet standing in practical or theoretical stage, it is standing in experimental stage still. Without implementing business idea into business and practicing it, social businesses cannot be developed. Poverty is the main cause of most other social issue. That is why Noble laureate Professor Dr. Muhammad Yunus quoted “Poverty does not belong to human beings it is artificially imposed on human being. Poverty is not the fault of human being but it is fault of the system”, “Poverty does not belong in civilized human society. Its proper place is in a museum. That's where it will be” (Yunus). It is social business which can solve all these social challenges to gain sustainable economic development.



## References:

- (2016). Australia and New Zealand Journal of Social Business, Environment.  
[https://www.researchgate.net/publication/291522633\\_Social\\_Entrepreneurship\\_for\\_Sustainable\\_Development\\_in\\_Bangladesh](https://www.researchgate.net/publication/291522633_Social_Entrepreneurship_for_Sustainable_Development_in_Bangladesh).
- (n.d.). Brundtland Report. <http://www.un-documents.net/our-common-future.pdf>.
- (n.d.). Grameen Health Care Service.  
[http://www.grameenhealthcareservices.org/index.php?option=com\\_content&view=article&id=111&Itemid=109](http://www.grameenhealthcareservices.org/index.php?option=com_content&view=article&id=111&Itemid=109).
- (n.d.). Grameen Healthcare Service.  
[http://www.grameenhealthcareservices.org/index.php?option=com\\_content&view=article&id=115&Itemid=112](http://www.grameenhealthcareservices.org/index.php?option=com_content&view=article&id=115&Itemid=112).
- Independent, T. (n.d.). Health Status of Bangladesh.  
<http://www.theindependentbd.com/printversion/details/24301>.
- knoema. (n.d.). Bangladesh - Adult illiterate population.  
<https://knoema.com/atlas/Bangladesh/topics/Education/Literacy/Adult-illiteracy>.
- (n.d.). Nutrition Bangladesh Profile. [http://www.fao.org/ag/agn/nutrition/bgd\\_en.stm](http://www.fao.org/ag/agn/nutrition/bgd_en.stm).
- Skoll\_World\_Forum. (n.d.). Can Social Enterprises Really Solve Poverty?  
<https://www.forbes.com/sites/skollworldforum/2014/04/08/can-social-enterprises-really-solve-poverty/#7a7e55ef8842>.
- (n.d.). United Nations. <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.
- Ward, E. (n.d.). Social enterprises step up to tackle the SDGs.  
<https://www.britishcouncil.org/society/social-enterprise/news-events/news-social-enterprises-tackle-SDGs>.
- WHO. (n.d.). Global Health Workforce Alliance. <http://www.who.int/workforcealliance/countries/bgd/en>.
- Wikipedia. (n.d.). Poverty in Bangladesh.
- (2011). Yunus Social Business. <http://www.yunusssb.com/about/>.
- Yunus, D. M. (n.d.). <https://youtu.be/fz2pGZ-eLO4>.
- Yunus, D. M. (2008). Creating A World Without Poverty: Social Business and The Future of.
- Yunus, D. M. (2008). Creating A World Without Poverty: Social Business and The Future of Capitalism.