



Social Business for Rural Development in Bangladesh

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ABSTRACT

Although Bangladesh is an agrarian country in character, having 73% population living in rural areas, she is passing through a transition period in term of economic growth. The present trend is that people of rural areas are moving towards urban areas for seeking employment or are engaging themselves in non-farm activities leaving agricultural activities. All these are happening owing to better off of living standard and lifting from poverty threshold. According to the World Bank Report 2013, as many as four crore 70 lakh people of Bangladesh are living below the poverty line and of them, two crore 60 lakh live in extreme poverty. The poverty rate is the highest in rural areas at 36 per cent, compared with 28 per cent in urban centre. In this backdrop, it can be said that national development is not possible without the development of these people. Leadership in power takes various steps for development. But it is not possible for them alone. Efforts from private sectors like non-government organisations, voluntary organisations as well as individual initiatives can enhance the development pace for over all development of the country. Among the individual initiatives, Noble Peace Laureate, Professor Dr. Muhammad Yunus is the exponent of social business which can lead Bangladesh towards development. This paper will discuss definition of social business and its purposes as well as its impact on rural development in Bangladesh.

Keywords: social business, rural development, Bangladesh.

1. INTRODUCTION

Bangladesh² is overwhelmingly rural and agrarian society. Hence like other developing countries of the Third World, rural development is a key to overall socio-economic development of the country. The region that comprises Bangladesh has a long tradition of experiments with many approaches in rural development. To a large extent, the rural development programme of the present

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² Bangladesh has a long recorded history. In the recent past, it came under British rule, which lasted for nearly two centuries, from 1757 to 1947. During that period Bangladesh was a part of the British Indian provinces of Bengal and Assam. At the end of British rule in August 1947, the sub-continent was partitioned into India and Pakistan. Bangladesh became a part of Pakistan and came to be known as East Pakistan. It remained so till 1971. It appeared on the world map as an independent and sovereign state on 16 December 1971 after a nine-month long War of Liberation against Pakistan.

day Bangladesh is a legacy of the past efforts. The quantitative performances of rural development may appear impressive, but in qualitative analysis there is every likelihood that the realities unfolded may present a gloomy picture. However, the paradigm of rural development in Bangladesh is being shifted from one stage to another as per demand of the time, once it is considered that agricultural development means the rural development. Consequently, the successive governments allocated more funds and subsidies for agricultural development. Later in 1980's, the rural development turns into integrated oriented efforts. Replicating Comilla Model³, integrated rural development programme (IRDP) has been spread out the country for rapid rural development, considering the socio-economic features of the country. But it brings little impact in terms of qualitative changes in rural development areas. Still, about 116.58 million people out of 160 million people live in rural areas, which are 73 percent and 65 percent people directly depend on agriculture (IFAD, 2011:242). Numbers of rural people in extreme poverty⁴ in South Asia⁵ are 503 million, corresponding to 80.7 percent and it is in Bangladesh 49.6 percent (IFAD, 2011: 233).

Income poverty still afflicts nearly half of the population and in tandem human poverty soars high (Bayes, 2011: 309). As nearly half of the populace of villages is poor, they are landless or near landless. The number of landless people is increasing day by day (Khan & Khanam, 1998: 1). Agricultural land in Bangladesh was 10063 thousand of hectares in 1988 and it stood at 9011 in 2007. The arable land was 9179 thousand of hectares in 1998 and it shrunk to 7970 in 2007 (IFAD, 2011: 257). It is said that the arable land is reducing every day. Between 2004 and 2008, overall poverty level increased at 2 percentage points per year from about 43 percent in 2004 to 47 in 2008. It means that two million additional households with 10 million people had joined the already existing vast pool of the poor in Bangladesh (Bayes, 2011: 318). A survey reveals the causes of poverty. According to the survey, 60 percent of population have no house of their own or no other inherited property, 18.4% due to loss in the business, 17.2% due to lack of education or any skill (BBS, 2010). According to Labour Force Survey (2010), there were 26 lakh people unemployed in Bangladesh (BBS, 2011). Another report reveals that there were three crore people unemployed in 2012 in Bangladesh (Prothom Alo, June 28, 2012). In spite of the so-called development decades and institutional building past efforts and strategies contributed little to the improvement of the people's well-being, the ultimate goal of development.

³ It is the popular model of rural development in Bangladesh. Dr. Aktar Hameed Khan was the exponent of this model.

⁴ World Bank newly defines the poverty as earning below 1 dollar 25 cents/day.

⁵ South Asia: Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan and Sri Lanka.

Against this backdrop, social business, co-existing with the traditional business and targeting to minimise social problems, can create a huge employment opportunities. It can also contribute to reduce poverty, leading to rural development vis-à-vis national development of Bangladesh. So, this paper explores about social business, its objectives as well as its impact on rural development in Bangladesh.

1.2 Conceptual Issues

1.2.1 What is Social Business?

Social business is a non-dividend company dedicated entirely to achieve social goals. In social business, the investor gets his/her investment money back over time, but never receives dividend beyond that amount. The main purpose of the business is to solve a predetermined social problem in a sustainable way. Yunus (2007) founder of Grameen Bank, postulates a possible solution in a new business model named "social business" which he defines as a non-loss, non-dividend based business and one which is cause-driven rather than profit-driven and one with the potential to act as an agent of change. He says that social business is not a charity because it unlike other non-profit and non-government organisations, recovers its full costs while achieving its social objectives. He further clarifies that investors in social businesses can get their investments back, but are not entitled to any dividend and the profit would be ploughed back into the companies to expand their outreach and to improve the quality of their products and services. He explains that a social business is just like any other business in its governance structure and in its recruitment policies. Yunus notes that not only the major corporations and foundations, but also people with a very small amount of money can launch social businesses and become successful and thus solve a social problem.

European Union also takes social business initiatives, considering its positive contribution to social issues. According to European Commission, social businesses are companies that have a positive social impact and address social objectives as their corporate aim rather than only maximising profit. Internal Market Commissioner of European Commission, Michel Barnier says that social business is a good example of an approach to business that is both responsible and contributes to growth and jobs.

Malaysian Crown Prince, Yam Tengkuⁱ said the social businesses had become a mainstream business model rather than an alternative form of business. He said that poverty had largely been eradicated in Malaysia, but some issues in the country were needed to be worked on. He said we need social business not only to solve those social problems in this country, but also to make the world a better place for everybody. Emmanuel Faber, CEO of France-based Danone said social

business is a highly innovative idea and powerful answer to social problems. He said social business is a radical innovation and it brings in a completely new solution to businesses. It is not just a simple change in the conventional business. He said more than a dozen French companies with combined annual revenue of \$200 billion have set up social businesses in the country. Emmanuel Faber also said the theory had opened a new horizon of business and opportunities for entrepreneurs around the world.

We, however, can say that the traditional business is designed to earn the maximum income or profits for the owners of the business. In contrast, the objective of a social business is to provide the maximum amount of social benefit for its consumers. As a result, there is a difference in how profit is used in either model. In a traditional business, a portion is taken as personal profit by the owners and another portion is reinvested back into the business. In contrast, a social business reinvested all its profits back into the business for expansion. This means that any profit that is made from the businesses' customers is then reinvested back into improving the goods and services that the customers receive and improving their community.

Now, it is clear that social business is designed to solve the social problems. It can be treated as community need business (CNB) or social need business (SNB). It can co-exist with conventional business. Its main target is to serve society, not making profit.

1.2.2 Types of Social Business

Dr Muhammad Yunus (2007) in his book *'Creating a World without Poverty—Social Business and the Future of Capitalism'* discusses two different types of social businesses. These are:

- Type I: social business focuses on providing a product and/or service with a specific social, ethical or environmental goal. Under this type of social business, he cites example of Grameen-Danone⁶.
- Type II: social business is a profit-oriented business that is owned by the poor or other underprivileged parts of the society, who can gain through receiving direct dividends or by indirect benefits. He notes Grameen Bank, being owned by the poor as the prime example of this type of social business. Nijera Cottage and Village Industries (NCVI) is another

⁶ It was inaugurated in 2006 as a partnership between Grameen Bank and Groupe Danone of France. The mission of Grameen-Danone Foods is to manufacture nutrient rich, fortified yogurt in small local plants that minimise the need for expensive refrigeration and to sell it at a low price to improve the diets of rural children in Bangladesh (HOW SOCIAL BUSINESS CAN CREATE A WORLD WITHOUT POVERTY, By Muhammad Yunus from The Christian Science Monitor, February 15, 2008 edition.)

example of this type of social business. It is a workers' and artisans' owned business enterprise.

1.2.3 Principles of Social Business

According to Professor Yunus (2007), there are seven principles of social business. These are:

1. Business objective will be to overcome poverty or one or more problems (such as education, health, technology access and environment) which threaten people and society; not profit maximisation.
2. Financial and economic sustainability.
3. Investors get back their investment amount only. No dividend is given beyond investment money.
4. When investment amount is paid back, company profit stays with the company for expansion and improvement.
5. Environmentally conscious.
6. Workforce gets market wage with better working conditions.
7. Do it with joy.

1.3 Rural Development (RD)

Actually, there is no universally accepted definition of rural development (RD). So as a concept, it connotes overall development of rural areas with a view to improving the quality of life of rural people. As a phenomenon, it is the result of interaction between various physical, technological, economic, socio-cultural and institutional factors. As a strategy, it is designed to improve the economic and social well being of a specific group of people—rural people (Islam: 1990: 1).

The present concept of rural development is full of humanitarian ideas as a tilt to the poor as the target beneficiaries. However, the concept of rural development is all embracing encompassing multidimensional facets of rural life. The concern of rural development is to ameliorate the condition of the vast majority of the population that reside in countryside.

Rural development in general is used to denote the actions and initiatives taken to improve the standard of living in non-urban neighbourhoods, countryside and remote villages. In fact, rural development is the development of the man behind the plough.

1.3.2 Approaches of Rural Development

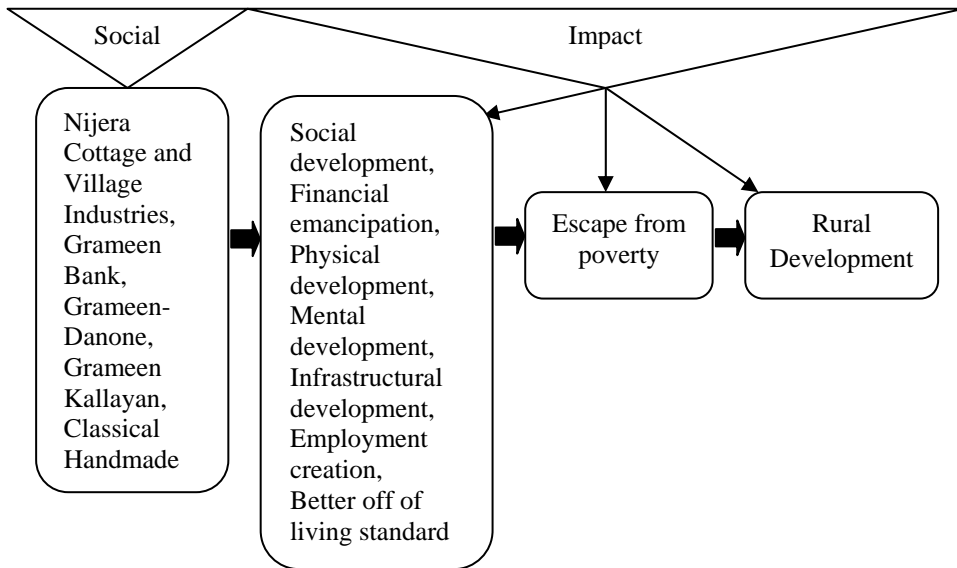
There have been at least three different approaches of rural development which emerged with particular focus on poverty alleviation in Bangladesh:

1. Direct capability raising programmes;
2. Growth oriented programmes with a strong immediate impact on poverty; and
3. Targeted special employment schemes for the poor (Asaduzzaman, 2007).

1.3.3 Goals of Rural Development

- a) Output/Productivity: Increase in agricultural output per unit (land, labour) by utilising new techniques of production or the more efficient use of given resources.
- b) Employment Generation: Employment creation is related to the greater intensity of utilisation of labour resources in agriculture and other sectors by the use of technologies that will intensify the use of other relatively scarce resource, especially land.
- c) Equity: It relates to the class of beneficiaries showing improvement in income or production.
- d) Access: It relates to strategies to ensure that gains are equitably distributed.
- e) Control: Control over resources is a goal in which the allocation and disposition of resources is to be facilitated in more equitable manner than existing situations (Hye: 1985).

So, poverty reduction of rural poor is the key goal of rural development and rural development means upgrading of the people living in rural space. The social business model depicts rural development as following figure:



Source: Author

Figure 1: Impact of Social Business in Rural Development.

However, rural development in this paper means ‘development of man⁷ behind the plough.’

1.4 The Context of Bangladesh

Situated in the north-eastern corner of South Asia, Bangladesh is one of the world's most densely populated countries with about 160 million people crammed into a system of river deltas which empty into the Bay of Bengal. The population growth rate is around 1.37 per cent (BBS, 2011). While overall improvement in well being can be seen across all regions, poverty continues to be a daunting problem with about 47 million people still living below the poverty line and 26 million people in extreme poverty (World Bank, 2013). Poverty in rural areas continues to be more pervasive and extreme than in urban areas, whereas urban areas remain relatively more unequal. On the other hand, 52 percent of household of Bangladesh is out of connected of electricity facility (Ahmed, 2013).

Since independence, the country has been beset by political and economic instability, aggravated by repeated natural disasters. Development in this context has proved extremely problematic. Although rich in human resources, the country is currently characterized by widespread illiteracy, political chaos and

⁷ Here man behind the plough refers to rural people-man and women irrespective of religion, caste and colour of Bangladesh.

underdevelopment. The majority of the population depends directly or indirectly on agriculture for their livelihood and lives in rural areas in the fertile Ganges-Brahmaputra delta, an area swept by frequent cyclones, tidal surges, floods and river erosion. Nutritional deficiencies, overcrowding, poor water and sanitation contribute to major health problems.

The alleviation of poverty figures prominently in the development planning of Bangladesh and it is seen to depend largely on faster economic growth. The government has prioritised family planning programmes to reduce the rate of population growth and has also prioritised literacy expansion initiatives to address human resource development, focusing on emerging industries as well as manpower export. By expanding enrolment and improving quality of primary education, the government expects to make a major contribution to a better-educated workforce in Bangladesh. The key to achieving higher rates of economic growth and at the same time ensuring equitable distribution of these economic benefits, is seen to lie in the development and utilisation of human resources, which Bangladesh has in abundance.

Poverty: There have been steady gains in the fight against poverty with rates declining from nearly 59% of the population in 1990 to 40% in 2005 and 31.5% in 2010 (World Bank, 2013). Nearly three-fourths of this decline occurred in populous rural areas. Responsible for poverty according to a survey (BSS, 2010), 60% populations have no house of their own or no other inherited property, 18.4% due to loss in the business, 17.2% due to lack of education or any skill. According to the survey, 4.7% are affluent, middle class is 20.5% and lower class is 34.1%. Another research study reveals that the number of population living under poverty line is still increasing. The number of population living below the poverty line has increased from 51.6 million in 1991-92 to 56 million in 2005 with an annual average rate of 0.314 percent at national level. The study forecast that if the current trend continues, the number of population living below the poverty line might stand at 57.3 million and 59.8 million by 2013 and 2021 respectively (Titumir & Rahman: 2011). World Bank makes remarks that despite an increase in rural real per capita consumption in 2010, the gap in the speed of poverty reduction between urban and rural areas has widened over the last five years. Extreme poverty still remains a rural phenomenon. According to the World Bank (2013) report, the poverty rate in Bangladesh is 31.5 in 2010 and as many as four crore 70 lakh people of Bangladesh are living below the poverty line and of them, two crore 60 lakh live in extreme poverty.

Child Health: In regard of child health, about 36 percent of children are growing up with underweight, 90 percent of children are facing the severe diseases like pneumonia and one-third pregnant women are also facing pneumonia and malnutrition. Millions of Bangladeshi children suffer from calorie deficits as well as serious shortfalls in their intake of iron, vitamin A, calcium, iodine and other

important nutrients. As a result, over 40 percent of children from newborn to fifty-nine months in rural Bangladesh are stunted in their growth (Ahmed, 2013 and Yunus, 2007).

Food intake: Though majority of the population has food security, 39.8% populations are in insecurity. Those who are insecured, 19.2% of them are in temporary insecurity, remaining 80.8% are in long term insecurity. For this two reasons could be identified for food insecurity, one is inadequate income, second is inadequate land for cultivation. For loss in the business, some people will fall into the trap of insecurity. As many as 9.5% populations remain in food insecurity for lack of job, only 35.5% of whom are covered by the social security programme of the government (BBS, 2010).

Literacy rate: The school census information reveals that the primary education dropout rate in Government Primary Schools (GPS) and Registered Non-Government Primary Schools (RNGPS) has increased from 47.2% in 2005 to 50.5% in 2007 and poverty has been cited as the number one cause of school dropout. Dropouts of school children are higher in rural areas where most of the people are poor and landless. In the distant riverine *chars*, offshore islands, low-lying 'haor' areas and hard to access hill tract villages poverty is widespread and drop out is relatively high (GoB, 2009). Defining literacy as the ability of writing a simple letter for communication, the national rate of literacy is 55.08% aged of 5 years and over and 57.53% aged of 7 years and over respectively (BBS, 2011).

2. LITERATURE REVIEW

Social business is a kind of new business and it is getting momentum in Bangladesh. There is no extensive work on social business as the idea of this kind of business just evolves a few years back. Professor Dr. Mohammad Yunus, winner of noble Peace prize in 2006 is the pioneer to promote such kind of business. Going through the literatures, it is found a very few works in this field. In 2007, Professor Mohammad Yunus wrote a book titled 'Creating a World without Poverty: Social Business and the Future of Capitalism' which can be considered as a master piece in the field of social business in Bangladesh. In 2008, Yunus also wrote another book titled 'Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs'. In addition, Yunus Centre is providing different materials containing memorandum of understanding (MoU) with different business organisations relating to social business. There are also some newspaper reports and articles. After reviewing these literatures, it is appeared that all are written about concept of social business, its principles, scope and objectives. Yunus, however, in his books clearly defines social business for solving social problems and cites limitations of conventional business to meet the social need. He explains its types and

principles. He also predicts the future of capitalism and social business in his book. Referring different examples, he makes arguments that world could be poverty free through social business. He termed 'capitalism' as a half-developed structure and to make the structure of capitalism complete, it needs to introduce another kind of business which he called 'social business.' According to him, entrepreneurs will set up social business not to achieve limited personal gain but to pursue specific social goals. On the other hand, Yunus Centre promoting the idea through different events such as organising seminars and conferences. Yunus Center has established a 'Social Business Design Lab'. It is a meeting place for the people of diverse backgrounds having only one goal – developing social business for the betterment of society. It also acts as a platform for the presentation and launch of social business ventures. Till September 14, 2013, the Lab meets eight times with representatives from numerous national and international NGO's, business leaders, academics and specialists⁸. Omar (2013) only advocates for promoting social business to get rid of poverty in Bangladesh.

After reviewing literatures, it is found that no works on impact of social business in rural development in Bangladesh have been done. So, this paper tries to bring the social business into light on how it contributes to rural development in the country.

3. METHODOLOGY

This paper is mainly based on secondary materials such as books, articles and reports appeared in daily papers and cited in websites. To collect materials, I have visited libraries of the University of Rajshahi, Yunus Center, Dhaka and CARE Bangladesh office. Two cases have been taken for analysis to achieve the objectives of this paper.

4. ANALYSIS AND FINDINGS

A series of policies, projects and programmes undertaken by successive governments and non-government agencies for promoting rural development as an integral part of overall development in Bangladesh are not new. In fact, comprehensive developmental efforts have been made since the independence of Bangladesh in 1971 to improve the condition of the rural people. But the problems with the existing policies, programmes and initiatives for rural development in Bangladesh are legion. Among these, the most striking problems are: (a) theoretical inconsistency, (b) gap between experts and target groups, (c) lack of motivation for work, (d) mistrust of and no confidence upon local

⁸More information about the Social Business Design Lab is available at the web site: <http://www.muhammadyunus.org/>.

leadership, (e) functional gap between development centre and villages, (f) misplaced priorities and needs and (g) triangular share of benefits that excludes the rural poor.

Against these backdrops, social business as it is community driven can bring positive impact in different contexts. It includes (a) developing a strong rural development institutions, (b) developing self-dependent rural institutions, (c) expanding business knowledge to increase profits for rural development, (d) improving the community's public needs such as education, health, etc., (e) making aware rural people about sustainable environment for them and (f) improving educational facilities for children in rural areas of Bangladesh. So, it is appeared that social business is the new focal point for rural development. For effective rural development, social business can be regarded as a strong functional tool. According to traditional business and entrepreneurship which are meant for profit, people move around development rather than development moving around people. In contrast, social business is moving around people for their development.

4.2 Impact of Social Business in Rural Development in Bangladesh: An analysis of Two Cases

In earlier discussion, it is found that social business can be regarded as a new model of business designed to solve social problems rather than maximizing profits for personal gain. Here, it is tried to make an analysis to explore the impact of social business model (figure 1) for rural development in Bangladesh. It is also tried to analyse how and to what extent social business contributes to solve social problems.

Although, presently a number of social business enterprises are operating their activities to solve social problems and leading people out of poverty as well as contributing rural development. Among these, two cases have been selected for analysis. One is Grameen-Danone which is designed to manufacture nutrient foods, aiming of reducing malnutrition of children. Malnutrition is one of the major problems in Bangladesh. Grameen-Danone has been considered as type I of social business. On the other hand, Nijera Cottage and Village Industries (NCVI) are designed to create employment opportunities and which is directly involved in reducing poverty of the marginalised groups of the society. NCVI is also owned by the disadvantaged groups of the society. NCVI has been considered as type II of social business.

Case I: Grameen-Danone

The well known example for a social business is Grameen Danone's yoghurt factory in Bogra located in the northern part of Bangladesh, as it is the very first business that was specifically planned in order to conform to the ideas of social business. The objectives are to bring daily healthy nutrition to low income nutritionally deprived populations in Bangladesh and alleviate poverty through the implementation of a community based business model. The production was successfully started in the beginning of 2007. Thus, Grameen-Danone has already been planning to expand its operations throughout the country by building up to 50 more factories. It obviously will create more employment opportunities in the country. Farmers will be benefited as raw materials such as milk will be collected from local farmers. Ultimately, society will be benefited. Besides, it will contribute to minimise malnutrition of children. Certainly, it will lead to solve social problems such as unemployment and malnutrition. Thus, objectives of social business will be gained.

However, the first social business called Grameen-Danone has arisen from the idea of Mohammad Yunus and the chairman of Group Danone, Franck Riboud. Yunus was able to fascinate Riboud by explaining his plans to create a business not aiming to make any profits but to create social efficiency. After that, both organisations Grameen-Bank and Groupe Danone, have been working intensively for further elaboration of their plan. Together with an international team, they decided to set up a yoghurt factory in Bangladesh as a yoghurt product combines Danone's global distinctive mark as well as the fact that yoghurt, being a traditional Bangladeshi snack, can provide a lot of vitamins and nutrients necessary for children's growth and able to reduce deficiency symptoms. Business designer and production experts clinched to build a small factory only as this minimized the risk of investment for Danone, facilitated staff problems and improves the hope that the factory will become part of the local society and economy. Nutritionists developed by involving the local children, yoghurt that, eating a single cup, provides 30% of the daily demand of important nutrients for a child. Moreover, the business fixed to name the yoghurt Shukti Doi – the translation of these Bengali words would be "Power Yoghurt". Local children determined a friendly lion as the symbol for the new product. Given that there is no aim to gain profit, the yoghurt got an initial price of just five Taka that is around seven US-Cents. Since 2010, a 60g cup sold for 6 Taka in rural markets. An 80g cup sold for 8 Taka at local city stores and 15 Taka in Dhaka, the capital city of Bangladesh, respectively. In addition to nutrient food for children, this social business enterprise designed a manufacturing and distributing model that involves local communities. Besides, it will contribute to reduce poverty, improving the economic conditions of the local bottom class population by: (a) upstream: involving local suppliers (farmers) and helping them to improve their practices; (b) Production: involving local population via a low cost/labour

intensive manufacturing model and (c) Downstream: contributing to the creation of jobs through the distribution model (Yunus, 2007: 145). Yunus makes a question in his book 'How can the products or services sold by a social business provide a social benefit?' He answered, there are countless ways. For a few examples, imagine:

- *A social business that manufactures and sells high-quality, nutritious food products at very low prices to a targeted market of poor and underfed children. These products can be cheaper because they do not compete in the luxury market and therefore do not require costly packaging or advertising and because the company that sells them is not compelled to maximize its profit.*
- *A social business that designs and markets health insurance policies that provides affordable medical care to the poor.*
- *A social business that develops renewable-energy systems and sells them at reasonable prices to rural communities that otherwise cannot afford access to energy.*
- *A social business that recycles garbage, sewage and other waste products that would otherwise generate pollution in poor or politically powerless neighborhoods.*

In each of these cases and in the many other kinds of social businesses that could be imagined, the company is providing a product or service that generates sales revenue even as it benefits the poor or society at large (Yunus, 2007, 22-23).

Above discussions make us clear that social business model can contribute to minimise social problems. It contributes to reduce nutritional deficiency of children of Bangladesh. It also contributes to boost up mentally and physically sound development of children of the country. It is further appeared that business can be operated for the well being of society rather than maximizing profits for personal gain. This new kind of business model can contribute to reduce poverty, leading to rural development in Bangladesh. It can be said that it is also applicable to other countries of the world.

Case II: Nijera Cottage and Village Industries (NCVI)

Nijera Cottage and Village Industries (NCVI), set up by CARE in 2008 is another example of social business. It has been considered as type II of social business. The major objectives of this social business are to create employment opportunities for local disadvantaged groups, to contribute social development through income, to reduce poverty and to contribute to rural development. NCVI has already achieved some of these objectives. Through this enterprise, one

thousand eight hundred extremely poor women in Rangpur are not only lifting themselves out of poverty but also contributing to our national foreign currency earnings through the export of their goods to high-end shops in Canada, Australia, France and England.

Previously destitute deserted by their husbands, raising their children on barely one meal a day, with no education, these women had no means to earn a living. The indigo-dyed bed sheets, scarves and shirts they learnt to hand make in a bamboo-mud hut factory on the side of a dirt road in Rangpur now fetch attractive prices in the global market and allow them a chance to live as human beings. This colourful and innovative solution to extreme poverty is one with great potential for replication and expansion as the global market for indigo products is far from saturated. Rangpur, where people have long faced struggles with seasonal hunger, which is well known 'monga' locally and offers very few job opportunities for illiterate, asset-less, landless women. Here NCVI trained these women to make indigo dyes and also gave them shareholder status in the company.

Last year, NCVI exported \$70,000 worth of products. Each woman working there earns between Tk.1, 800 and Tk 6,000 per month. Setting up the factory cost was approximately Tk.140, 000 lakh, apart from the space which belongs to NCVI and was purchased with support from donors. NCVI is a cottage industry owned by the beneficiaries, women and artisans who were previously extremely poor but they are enabled to pay income tax since they are now "company owners". It is more important and praiseworthy that in 2011, NCVI distributed Tk. 2 lakh 92 thousand (approximate 4000 USD) dividends among 211 artisans.

After above discussions, it gives the impression that social business has brought the socially disadvantaged groups into light to live with new hope. It directly contributes to create employment opportunities, going ahead to economic, social and infrastructural development of the beneficiaries. It also straightforwardly contributes to reduce poverty, one of the major problems of Bangladesh. Ultimately, NCVI plays an important role to rural development in Bangladesh.

Amin (2013) comments that the success of social businesses in Bangladesh reveals that the social business revolution has already begun and it is not just a theoretical model. The young generation, the driving force in this revolution is actually making us believe that one day we shall have a society without poverty and it may not be that far away.

Analysing the two cases, it is appeared that social business has brought a great positive change and impact on society, social life, living condition and attitudes of entrepreneurs as well as rural populace. It has also contributed reducing

poverty, one of the major problems of Bangladesh and has paved new way to rural development in the country.

4.3 Scope of Social Business in Bangladesh

Social business explicated by Dr Muhammad Yunus is a cause-driven business, where the main purpose is to obliterate social problems through a sustainable business model and where investors can gradually recoup the money invested.

In Bangladesh, the opportunity for social business is enormous since the country has long been shackled by poverty, natural disaster, malnutrition, illiteracy and many other social problems. Beside that, different types of products and services can be brought under this social business network. These products and services include agricultural products and handicrafts, garments, office supplies, pen, pen set, name card holder, calendar, mouse pad, hat cap, T-shirt, corporate gifts, etc as well as rural tours, tickets of transports and arrangement of excursion.

Therefore, Grameen has established a number of joint ventures (social businesses), such as Grameen Danone, Grameen Veolia, BASF Grameen, Grameen Intel and Grameen UNIQLO to solve the pressing social problems in Bangladesh. Most of us are unaware of the fact that besides Grameen ventures, there are a number of social businesses such as Punoh and Panthar Social, mostly run by young people which are changing the lives of underprivileged people every day.

According to a report, about 3 crore people were unemployed in Bangladesh in 2012. The figure would be doubled by 2015 if the present rate of unemployment continues. Every year 27 lakh people add to the net of unemployment. Among them, only 7 lakh could manage employment opportunities. Bangladesh is the 12th in position in term of unemployment rating in the world (Prothom Alo, 28 June 2012, p-14). "It shows that enough employment is not being created for people who have education up to Secondary School Certificate (SSC) or below SSC level," said Rushidan Islam Rahmanⁱⁱ, labour market analyst while explaining the reasons for the rise in the unemployment rate. Rushidan, research director at the Bangladesh Institute of Development Studies (BIDS) said, "This group does not want to engage in agriculture. But the scope for regular non-farm employment is not expanding at a sufficient pace". She comments that self-employment alone cannot ensure a healthy growth of the economy. For this purpose, we need larger economic units that engage paid workers for more productive activities. She further said the unemployment growth reflects an under-utilisation of the country's human resources and suggested that the government adopt policies that encourage labour-intensive industrialization. There is scope for labour-intensive growth in many sectors, she said mentioning the furniture and leather industry in addition to the garment sector. In this

respect, social business can contribute to a great extent to solve the unemployment problem in Bangladesh.

However, promoting social business, which is popularly regarded as the new focus for promoting rural development, will not be easy. It must be admitted at the same time that social business cannot offer a quick fix since business takes time to grow. For this, it needs massive awareness among entrepreneurs, business leaders and mass people. In addition, the government should also come forward to promote social business for rural development.

5. SUMMARY AND CONCLUSIONS

After analysing the two cases, Grameen-Danone and NCVI, it is clear what social business is. Co-existing with conventional business, social business is designed not only to promote children nutrition but also to create employment opportunities. This leads people to financial development. Financial development lifts populace out of poverty, contributes social, physical and mental as well as infrastructural development. As social business is a cause-driven business, it is also designed for social welfare, better living standard of rural people. The success story of NCVI gives us a clear depict of rural development. It gives a picture of women development as well. Now, it is appeared that it is better to put social business at the centre of rural development in the future. It will hopefully bring about all-round development in the rural areas where majority of the people live. On the other hand, as a huge number of graduates seeking employment opportunities, social business can emerge as a great power to guide this generation, leading to rural development. It can unwrap the economic potential of rural people and communities. It can also make the best use of scarce local resources to secure sustainable economic development and it can identify new horizon of opportunities. In summary, here we can state the comment of IFAD for rural development. It says,

‘Supporting a comprehensive approach to rural development requires effective public policies and investments in rural areas and agriculture and an improved overall environment (physical, economic and institutional) for rural economies to enhance opportunities and mitigate risks. It requires robust investment in the human and social capital of rural areas – women, men and youth in particular and their individual and collective capabilities – both to generate and seize opportunities and to mitigate or better manage, the risks they face. It also requires new and in many cases, innovative ways for different stakeholders to work together across sector boundaries and mandates (IFAD, 2011: 40).’

In this respect, social business can be the hub of rural development in Bangladesh. The government of Bangladesh along with her different departments, agencies, bodies can come forward to promote social business for rural development vis-à-vis national development. Bangladesh Bank, the central bank of the country, can play a leading role in this regard through its small and medium enterprise department. Bangladesh Palli Karma Shohayak Foundation (BPKSF), the leading agency of the government of Bangladesh to provide credit to non-government organisations, can also play a vital role to boost up social business for rural development. Alongside the government, the big corporate houses of the country can come forward to set up social business as part of their corporate social responsibility (CSR). In conclusion, it positively appears that social business can contribute to minimise social problems, exploring new horizon of employment opportunities and leading to reduce poverty as well. At last, we can say that social business is a social enterprise that brings hope to those in need.

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i. Malaysian Crown Prince YAM Tengku, Emmanuel Faber, CEO of France-based Danone made these comments at the 4th Social Business Day 2013 held in Dhaka on June 28, 2013. Their opinions at 'Opening Plenary: Social Business around the World', appeared in the 'Social Business Thriving Globally' in The Daily Star on June 29, 2013.

ii. Rushidan Islam Rahman made comments in news titled '5 lakh More Jobless in Three Years' in Rejaul Karim Byron and Sohel Parvez. This news was published in The Daily Star, on January 18, 2012.