

SOCIAL BUSINESS AND POVERTY ALLEVIATION: BANGLADESH PERSPECTIVES

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Abstract: Social business is a noble business. In a social business, business and social services can be done at a time. The present study has conducted to assess the system of social business in Bangladesh, to find out the role of social business in poverty alleviation and to provide policy recommendations. The study was survey type. The study was conducted at 6 divisions in Bangladesh. Data were collected from primary and secondary sources. Purposive sampling method was used for the study. Total 600 respondents were selected for the study. From the study it was found that most of respondents showed positive attitude about social business. Maximum respondents replied that the rules and regulation of Bangladesh is helpful for doing social business. The result also showed that social business can play positive role in economic development in Bangladesh. Social business also can play a very important role in employment generation and poverty alleviation. As social business is a new concept, so; people have curiosity about social business. For the economic development, employment generation as well as poverty alleviation social business is very essential. Governments, Non government organization, print and electronic media can play very important role for the awareness, spread and development of social business.

Key words - Social business, poverty, employment generation, awareness

INTRODUCTION

Bangladesh is a small country but the population of the country is 160 million which indicates that it is one of the world's most densely populated countries in the world about 31% of people of Bangladesh live below the national poverty line of US\$2 per day. [1]

The gaps between the rich and the poor are very clear and it is increasing day by day in Bangladesh as well as all over the world. In recent years huge damages occur in the agricultural sectors due to natural calamities like flood, heavy rain fall etc. On the other hand price hike of essential commodities also shocked common people in our country.

According to World Bank, Bangladesh's extreme poverty rate dropped to 12.9 percent in 2016. [2] According to the World Bank, Bangladesh is also making progress in reducing its poverty rate & there is big chance of overcoming extreme poverty rate by 2030. [3] Social business can play an important role in poverty alleviation. Social business is a new form of business. In a social business, the investors/owners can progressively get back the money invested, but he/she cannot achieve any dividend beyond that point. Principle of the investment is entirely to achieve one or more social objectives through the procedure of the company. No individual gain is preferred by the investors. The company of course faces all expenditure and constructs profit. The company, at the same time achieve the social objective, such as, health services for the poor, accommodation for the poor, economic services for the poor, nourishment i.e. nutrition for malnourished children, managing safe drinking water, providing renewable energy, etc. all these things in a business way. The impacts of the business on people or environment, instead of amount of profit made in a given period measure the success of social business. Sustainability of the company indicates that it is running as a business. The aims of the company are to achieve social goals.

Individuals, societies, businesses and governments are searching for sustainable and ground breaking solutions to alleviate poverty. In 2000, the United Nations adopted the eight global objectives called millennium development goals, to be achieved by 2015. After 2015, the United Nations set 17 global goals which are known as The Sustainable Development Goals (SDGs). [4]

The SDGs defines a wide range of social and economic development issues. These comprise poverty, hunger, environment and social issues. The first and foremost goal of the SDGs is i.e. Goal 1: No Poverty ("End poverty in all its forms everywhere.") [5].

OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

1. To assess the system of social business in Bangladesh.
2. To find out the role of social business in poverty alleviation.
3. To provide policy recommendations.

DEFINITION OF CONCEPT

Social Business

Nobel Peace Prize laureate Professor Dr. Muhammad Yunus has given the ideas of social business first. Social business was firstly defined by Nobel Peace Prize laureate Professor Dr. Muhammad Yunus and was described in his books. [6]

In his books, Yunus defined a social business as a business:

- Created and designed to address a social problem
- A non-loss, Non-dividend Company, i.e.
 1. It is financially self-sustainable and
 2. Profits realized by the business are reinvested in the business itself (or used to start other social businesses), with the aim of increasing social impact, for example expanding the company's reach, improving the products or services or in other ways subsidizing the social mission.

Unlike a profit-maximizing business, the prime aim of a social business is not to maximize profits (although generating profits is desired). Furthermore, business owners are not receiving any dividend out of the business profits, if any. [7] On the other hand, unlike a non-profit, a social business is not dependent on donations or on private or public grants to survive and to operate, because, as any other business, it is self-sustainable. Furthermore, unlike a non-profit, where funds are spent only once on the field, funds in a social business are invested to increase and improve the business' operations on the field on an indefinite basis. Per Yunus' quote: "A charity dollar has only one life; a social business dollar can be invested over and over again."

Philosophically, social business is based on what Yunus identifies as the two basic motives of human beings, selfishness and selflessness. Selfishly, people do seek profit through business; however, social business is also based on the latter motive people by performing philanthropic services, like establishing churches, mosques, synagogues, art museums, public parks, health clinics or community centers. For Yunus, the profits made through a social business's operations are less important than the beneficial effects it has on society. [8] Muhammad Yunus has more recently founded Yunus Social Business (YSB) to study, support, and invest in young social businesses.[9]

A Social business is sometimes used interchangeably or in comparison to a Social Enterprise - some have described this as a spectrum, ranging from profit-first corporations to non-profits or charities, with Social Enterprises closer to non-profits and social Businesses closer to for-profits.

PRINCIPLES OF SOCIAL BUSINESS

In short, Professor Yunus indicated seven principles to define and categorize a business as Social Business. [10]

- (i) 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 maximization
- (ii) Financial and economic sustainability
- (iii) Investors get back their investment amount only; no dividend is given beyond investment money
- (iv) When investment amount is paid back, company profit stays with the company for expansion and improvement
- (v) Environmentally conscious
- (vi) Work force gets market wage with better working conditions
- (vii) Do it with joy

METHODOLOGY OF THE STUDY

Research Design

The design of the study was descriptive as well as survey type.

Study Area

The study was conducted at six divisions in Bangladesh. The six divisions were Barishal division, Chittagong division, Dhaka Division, Khulna Division, Rajshahi Division and Sylhet Division.

Sampling method

A purposive sampling technique was adopted for this study.

Sample size

From each division 100 respondents were selected. Total 600 respondents were selected for the study.

Source of Data

Data were collected from primary and secondary sources. In this study both qualitative and quantitative information and data were required. In order to generate database of the study, all necessary information were collected from different primary and secondary sources.

Source of Primary Data

Primary data were collected from the respondents of the study.

Source of Secondary Data

Secondary data were collected from reference books on the matter, annual reports of the Grameen Creative Lab, Newspapers, and periodicals, articles from national and international level. Internet sources were also used for research. An attempt was made to include the latest information whenever available.

Methods of Data Collection

A questionnaire was developed in order to make an extensive study. Necessary data were collected from the respondents through face to face interview with the respondents, observation and review of concerned documents.

Tools of Data Collection

Questionnaire was used for primary data collection.

Review of Documents

Secondary information i.e. reference books, annual reports of the Grameen Creative La, journals, research report, newspaper, magazines etc were used in this study.

Data Processing and Analysis

Collected data were checked for error and then data entry were completed and finally data were analyzed and presented through the use of necessary figures, tables and charts by using Computer Program Statistical Package for Social Sciences (SPSS Version 16) software.

RESULTS AND DISCUSSION

From the result it was found that Age group 40-49 years was 33% which was maximum, Age group 30-39 years was 25% which was second position, Age group 50-59 years was 21% which was third position, Age group above 60 years was 13% which was fourth position and age group 20-29 years was 8% which was the minimum.

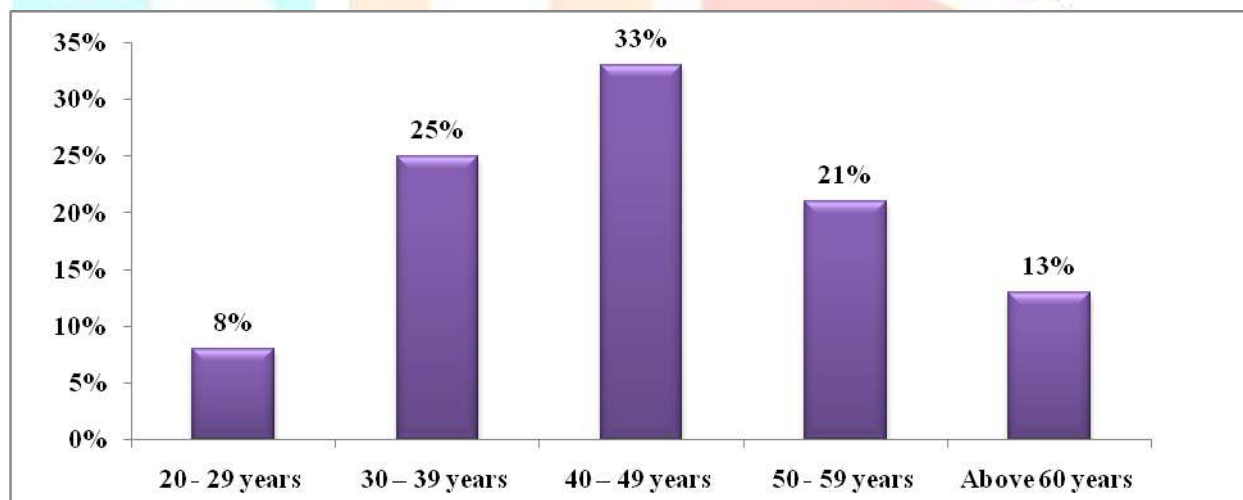


Figure 1: age group of the respondents

Source: Field Survey, 2017

From the above graph it was found that among 600 respondents 3% respondents were Illiterate and 5.50% respondents completed primary education, 9.60% respondents completed secondary education, 13.50% respondents completed higher secondary education, 44.40% respondents completed Graduates level education and 24.00% respondents completed more than Bachelor degree respectively.

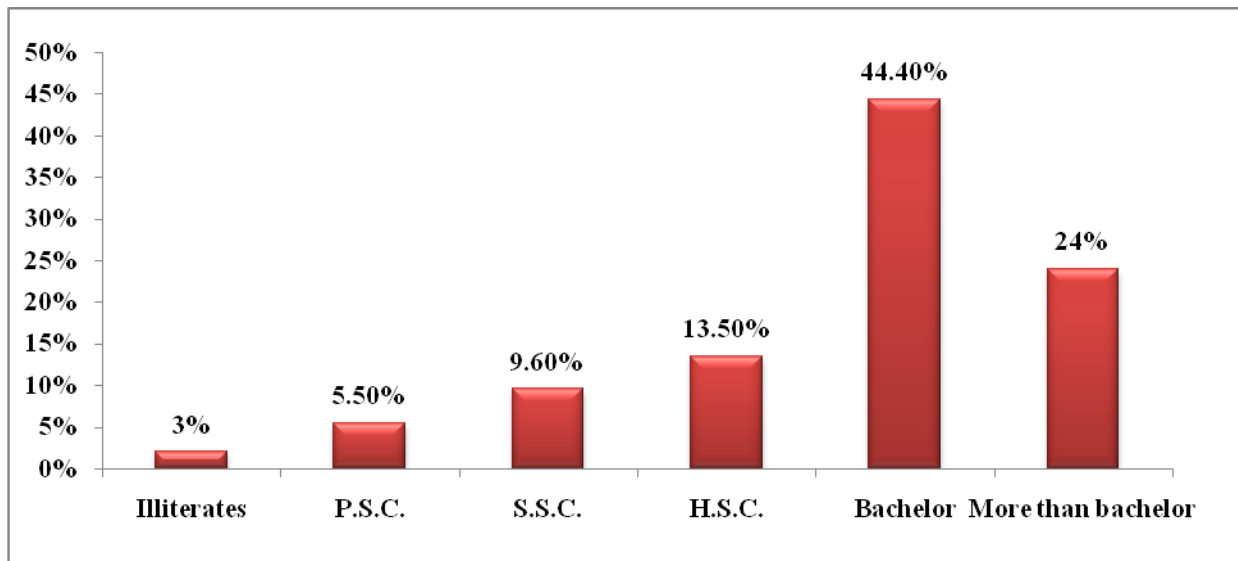


Figure 2: respondents' education

Source: Field Survey, 2017

Respondent's Residence area have shown in the above graph. From the result it was found that out of 600 respondents, 73.30% respondents lived in urban area and 26.70% respondents lived in rural area.

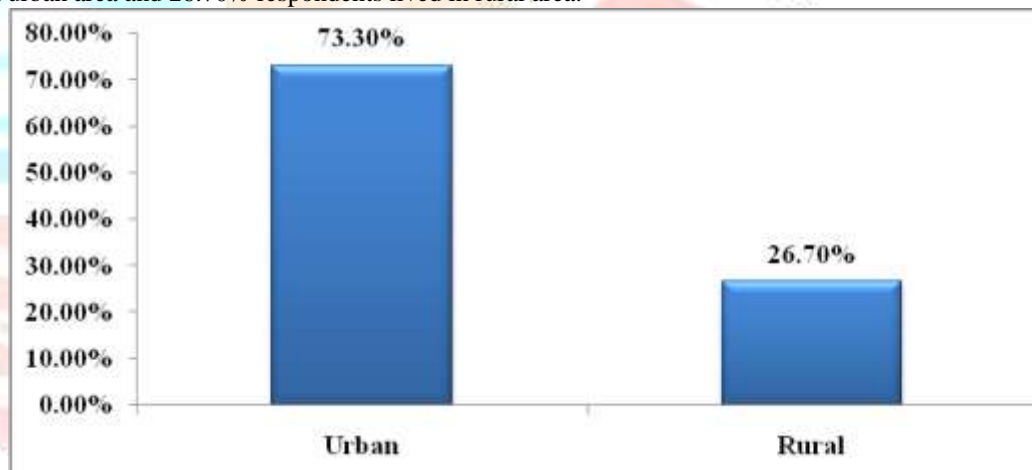


Figure 3: respondents' residence area

Source: Field Survey, 2017

Respondents' Religion has shown in the above graph. From the result it was found that out of 600 respondents 90% respondents were Muslim and 10% respondents were Hindu.

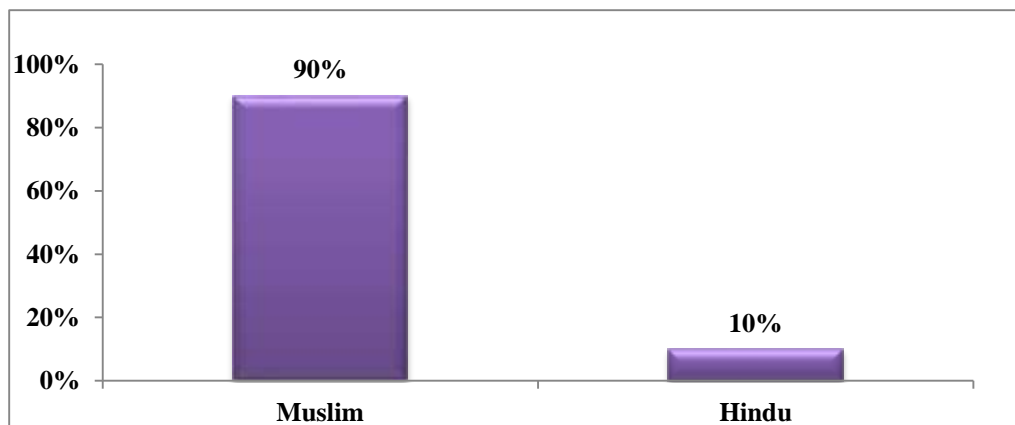


Figure 4: respondent's religion

Source: Field Survey, 2017

The monthly average income of the respondent has shown in the above graph. From the result it was found that 5.50% respondents were income group Less than 30000 taka, 15.30% respondents were income group 30001-40000 taka, 20% respondents were income group 40001-50000 taka, 42.50% respondents were income group 50001-60000 taka and 16.70% respondents were income group above 60000 taka respectively.

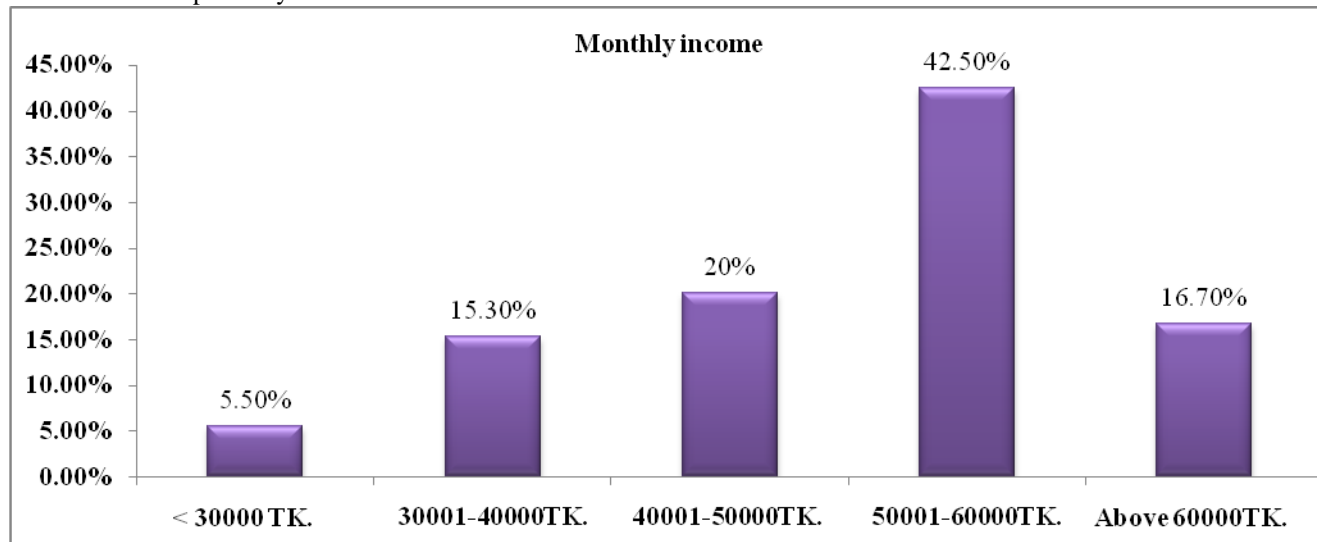


Figure 5: respondent's monthly income

Source: Field Survey, 2017

Table 1: respondents' attitude about social business

Respondents' opinion	Frequency	Percentage (%)
Positive attitude	390	65%
Negative attitude	180	30%
No Comments	30	5%
Total	600	100%

Source: Field Survey, 2017

From the result it was found that 65% respondents express positive attitude about social business in Bangladesh, 30% respondents express negative attitude about social business, and 5% respondents express nothing about social business.

Table 2: whether current rules & regulation are favorable for social business in Bangladesh

Respondents' opinion	Frequency	Percentage (%)
Rules & regulation are favorable for social business	420	70%
Rules & regulation are not favorable for social business	90	15%
No Comments	90	15%
Total		100%

Source: Field Survey, 2017

From the result it was found that 70% respondents replied that current rules & regulation are favorable for social business in Bangladesh, 15% respondents express that rules & regulation in Bangladesh are not favorable for social business, and 15% respondents express nothing about rules & regulation for social business in Bangladesh.

Table 3: whether respondents know proper knowledge about social business

Respondents' opinion	Frequency	Percentage (%)
Have proper knowledge	210	35%
Have few knowledge	300	50%
Have no knowledge	90	15%
Total	600	100%

Source: Field Survey, 2017

From the result it was found that 35% respondents replied that they had proper knowledge about social business, 50% respondents replied that they had few knowledge about social business and 15% respondents replied that they had no knowledge about social business. As social business is a new concept, so, mass people are not aware about social business.

Table 4: whether social business is very much important for economic developments

Respondents' opinion	Frequency	Percentage (%)
Strongly agreed	300	50%
Agreed	120	20%
Disagreed	60	10%

Strongly disagreed	60	10%
No Comments	60	10%
Total	600	100%

Source: Field Survey, 2017

From the result it was found that 50% respondents strongly agreed that social business is very much important for economic development of Bangladesh, 20% respondents agreed that social business is very much important for economic development, 10% respondents disagreed that social business is not very much important for economic development of Bangladesh. 10% respondents strongly disagreed that social business is not very much important for economic development of Bangladesh and 10% respondents did not replied any answer.

Table 5: whether social business is very much important for employment generation

Respondents' opinion	Frequency	Percentage (%)
Strongly agreed	240	40%
Agreed	240	40%
Disagreed	60	10%
Strongly disagreed	30	5%
No Comments	30	5%
Total	600	100%

Source: Field Survey, 2017

The result showed that 40% respondents were strongly agreed that social business is very much important for employment generation, 40% respondents were agreed that social business is very much important for employment generation. On the other hand 10% respondents disagreed that social business is not very much important for employment generation, 5% respondents were strongly disagreed that social business is not very much important for employment generation and 5% respondents did not give any comments about the matter.

Table 6: whether social business can alleviate poverty

Respondents' opinion	Frequency	Percentage (%)
Strongly agreed	360	60%
Agreed	180	30%
Disagreed	30	5%
Strongly disagreed	0	0%
No Comments	30	5%
Total	600	100%

Source: Field Survey, 2017

The result found that 60% respondents strongly agreed that social business can alleviate poverty, 30% respondents agreed that social business can alleviate poverty, 5% respondents disagreed that social business cannot alleviate poverty. On the other hand no respondents were strongly disagreed that social business cannot alleviate poverty and 5% respondents replied no comments that social business can alleviate poverty.

CONCLUSION

By the systems of social business, social problems can be solved side by side money can be earned in the long run. Social business brings the self-sufficiency. Social business can create self confidence among the people. By this way people can be motivated that they can do work. In this way employment generation can be done. Most of respondents showed positive attitude about social business. Maximum respondents replied that the rules and regulation of Bangladesh is helpful for doing social business. Social business can play positive role in economic development in Bangladesh. Social business also can play a very important role in employment generation and poverty alleviation. For the economic development, employment generation as well as poverty alleviation social business is very essential.

RECOMMENDATIONS

Based on the results, the recommendations of the study are as follows:

1. Government should take immediate initiatives for the mass awareness about social business.
2. Government organization, Non government organization and private organization should take necessary steps for the spread and development of social business. Because economic development, employment generation as well as poverty can be alleviate by the systems of social business.
3. Print and electronic media should do massive work for the publicity of social business.
4. Further research should be done for the spread and development of social business.

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