The triple bottom line

Amer Ahmed makes the case for the social enterprise movement

THE failure of communism in the twilight of the 20th century seemed to vindicate the champions of the free market -- be they Chicago libertarians or Washington Consensus neoclassicists. However, even as command economies fell, the world came to witness new crises in the fledgling free markets. From the disastrous privatisation of Bolivia's natural resources to the violent upheavals in the former Soviet Union, capitalism and the free market failed time and time again to provide sufficient conditions for sustainable growth. The promised virtuous cycle of economic and social development often did not come to pass.

Moving past blind faith, economists have now come to realise that liberalisation, deregulation and privatisation by themselves cannot guarantee that a market will truly be functioning, free, and able to provide the social services necessary for sustainable development. A key ingredient for functioning markets to be able to deliver an environment conducive to development is a strong institutional framework, which many developing countries like Bangladesh lack. Into this abyss of institutional failure enters a new player -- distinct from both the state and the traditional profit-seeking businessman -- that provides the social services that governments



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