

The finance minister and Social Business

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ON January 9, we read about an event in a local hotel where distinguished citizens and development experts gathered to celebrate the successful installation of "one million solar home systems" in rural Bangladesh by the highly innovative Grameen Shakti. What an outstanding achievement! This was another world class performance by a business that is essentially a non-profit, but is run like a super competitive business.

The winner of the 2010 Solar World Einstein Award among many other national and international awards, Grameen Shakti, like the other companies in the Grameen family founded by Nobel Laureate Muhammad Yunus, is legally independent of the Grameen Bank. It is a "Social Business" with a mission to bring light to millions of homes in rural households without creating any pollution and hazards typical of kerosene lamps and stoves. What a gift to the millions of poor people in Bangladesh!

The same day, the papers also reported that Finance Minister A.M.A. Muhith had made comments critical of social businesses in the Grameen family. Without giving any details, the article titled "Muhith Sees Waste of Resources" quoted him as saying that he was "deeply disturbed by the misallocation of resources in the name of social investment projects such as social businesses." He did not qualify his statements. He failed to even mention the unprecedented achievement of Grameen Shakti.

It is difficult to surmise what the minister really had in mind. Was he criticising the concept of social business or enterprise, or was he suggesting that specific businesses are not efficient. In either case, the effect is the same, and the timing particularly unfortunate. It is unfortunate that the minister chose to criticise social businesses, when the people are celebrating a wonderful milestone achieved by Grameen Shakti, an award winning social business.

There is something not right about this picture. Why would a government spokesperson criticise a development that has brought so much joy and happiness to so many poor people, and is being celebrated at home and abroad across the political spectrum.

This achievement should be like Bangladesh winning the Asia Cup in cricket. Everyone should join the celebrations. What is good for Bangladesh should be good for all Bangladeshis. Ministers should be eager to learn from this homegrown best practice in the private NGO sector--how



LITON RAHMAN/DRIK NEWS

can we scale this up so that within another year, not another million but five million households can be brought under the solar grid?

Think about the respite to the environment. This will enhance Bangladesh's reputation worldwide as an up and coming place where cutting edge technology is being used right now. Alas, the government has developed such an unfriendly attitude towards Professor Yunus that nothing seems to shake their desire to take him down.

In a recent exchange with the finance minister, eminent Professor Amartya Sen said that the world media seems to ignore all the good that is happening in Bangladesh because of the hostility shown by the Bangladesh government towards a much respected citizen, Professor Yunus. Using the power of the executive branch, the government removed him from Grameen Bank, an institution he founded and lovingly built over thirty long years into a Nobel Prize winning organisation. The government's unjust move was uniformly condemned across the capitals of the world. Unfortunately, it is apparent that the prime minister

is unaware of the extent of damage wrought by this unwise strategy to the good name of the country, and has also buried her government's achievements.

From the recent comment of Finance Minister Muhith, and other moves, it is obvious that the Awami League government has not learned any lessons. They seem determined, at any cost, to see Dr. Yunus and the institutions he has built dismantled, and even his legacy tarnished. Perhaps in the next elections, if the AL is defeated, they may realise that this unwise strategy may have been a major factor. But then it will be too late. There was a time when Mr. Muhith was a friend of Dr. Yunus. Such is the curse of power. It blinds those in power so that one's friends become foes, and enemy becomes friend.

What is social business? Why has the good minister chosen to attack this concept? Dr. Yunus coined the term to describe a new form of business, like the Grameen Bank, based on a full-cost recovery and not the traditional profit-maximisation basis. However, besides shunning the profit maximisation mantra, in other aspects social business is

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run like a normal business taking full advantage of the discipline that the free market competition imposes.

The company's mission should be social, such as poverty reduction, or to somehow improve the lives of the poor. Yes, Grameen Shakti does not provide free services like a charity because it is a business, it charges the customer a price that covers the expenses. The great advantage is that this make the business sustainable and allows for expansion, helping other poor customers one million in this case. If Grameen Shakti was a for-profit company, would it have achieved similar results? Most likely that would not have happened. The initial risks and costs were too high and very few had the confidence that the

rural households would be willing to pay for solar energy.

If we want to celebrate social business, the poster child would be Grameen Shakti. The organisation was established in 1995 by Dr. Yunus with support from the Rockefeller Brothers Fund and technical support from a company in Sri Lanka and Nepal, with Rahim Afroz of Bangladesh supplying the battery. From the first 20 solar home systems to today's 1,000,000 systems, Grameen Shakti has come a long way.

My humble advice to the finance minister is not to be blinded by power, which is fleeting. Do what is right for Bangladesh and its poor. Support all good things that are happening in Bangladesh, and give credit where credit is due. If Bangladesh's own government cannot celebrate the success of its most notable businesses and citizens, why blame the world media for ignoring our success?

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Fruits for Bangladesh from economic gardening Let us look at ourselves first

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ARGUABLY, there are justifiable reasons for all the hype surrounding an article that states that the growth of Bangladesh economy has the potential of surpassing that of many Western nations. There are a number of areas that warrant close study and analyses. While the economies of countries like Bangladesh are spurred on by a variety of factors, there is a need to reduce inconsistencies and address factors that are incongruent with goals of economic growth.

For example, to be likened to the nations comprising BRICS (Brazil, Russia, India, China, South Africa) is not an eyebrow raiser. And credit should be given where the acknowledgement, mind you, not the accolade, is due.

From a macroeconomic perspective, it is remarkable how some emerging nations can justifiably take pride in the fact that fossil theories like Malthusian theory of population were torn to shreds. Newer theories and empirical findings are evident in efforts made by ailing economies like Bangladesh.

Just as much as China is registering double digit growth, the prospect of similar aspiration would actually still look achievable had it not been for political unrest. Democracy has been a defining element in the growth of nations. China may not be pursuing the democracy practiced in the developed world, but it is pursuing and persisting in a system of governance that allows the activities of economic growth to take place unhindered, and it has worked wonders.

There are negative lessons to be learnt from the pursuit and practice of interfering agents of non-democratic control in another nation in the sub-continent. Although dubbed as a "failed" state, Pakistan was actually responsible for pioneering efforts in the synergistic and collaborative efforts of economic growth. Before military might took forcible control, the nation did indeed take that initiative. The Regional Cooperation for Development (RCD) was formed in the '60s. But the joint efforts that were envisioned for regional growth were completely destroyed when Ayub's military government took over control of that country.

The danger of Bangladesh plunging into that crisis also looked imminent. Fortunately, Bangladesh was able to free itself of that curse although political infighting, even in the absence of military intervention, still threatens the growth.

Certain highly laudable elements of growth that Bangladesh has been able to focus on, despite debilitat-

ing factors, provided the diversion. These areas of success are acknowledged as symbols of economic growth. It is remarkable that they have come about despite the multitude of obstacles and limiting factors.

The areas can be broadly put into three categories:
1. **Innovative Strategic Growth:** At a time when an impoverished nation was thought to be insatiable in its quest for aid, the perseverance and pioneering efforts of a few catapulted it into a reputable nation whose claim for a slice of the quality driven readymade and apparel market proved to be legitimate over a period of time. Additionally, the opportunity for womenfolk to be an integral part of the workforce laid the basis for gender equality and raised household income.

2. **Innovative Thinking and Economic Methods:** Ironically, we are prepared to give far less leeway or latitude to the concept of microcredit than on how it is

pursued and emulated in more than 100 countries abroad. Even BRICS nations use the approach as an efficient and workable model. The multiplier effect has also seen the emergence of gender parity resource as a catalyst for the economy. Investments also spiralled into offshoots in the form of the cellular phone that helped bring down the communication barriers to entrepreneurship among men and women alike, of whom some had not even seen a telephone let alone talk into it.

3. **Economic Growth through Population Shifts:** Growing concerns about population growth and its adverse effects on employment and GDP were alleviated with a conscious effort to export both unskilled and skilled manpower abroad. Not only did it lessen the burden, the positive effects of additional earnings through remittances also emboldened the economy. Some of this was also channelled through investments from non-resident Bangladeshis (NRB) who also proved to be the key driving force in attracting foreign direct investment.

Economic gardening analyses both conventional pursuits and out of the box wisdom in exploring opportunities and converting threats. One can speak volumes about the efforts of individuals and institutions in the past.

In fact, the foregoing are also the forerunners of economic milestones that are envisaged for Bangladesh in the future, including the much heralded and awaited position of Middle Income Nation.

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MAMUNUR RASHID

WE know what happened in India during the last few weeks over the gang-rape and murder of a medical student. The Delhi incident aroused huge public protests. People of all sections including politicians have joined the movement. Many are showing respect and solidarity to the fighting spirit of the woman, describing her as "brave heart." India is likely to experience a big change in the movement against violence against women. But on the other side is a different story. Rather than highlighting the rapists as criminals of the worst kind, some people are pointing a finger at the woman. Why did she go out in the night with a man, what was she dressed like, and so on. Yes, dear readers, that is how the society normally reacts to this type of incident. The situation is not much different in our own country.

But what is the lesson for Bangladesh? We are aware of a number of sensational cases of rape and murder after rape in the recent past. An apprentice doctor who worked in a clinic at Daksinkhan could escape rape attempted by a clinic staff, but she was killed mercilessly by the perpetrator. Prothom Alo (January 9) reported that no charge-sheet had been filed after nearly two months. The victim's parents were regretful that no one had come to talk to them. "We see huge protests and movements following the incidence of rape in neighbouring India, but it has not happened here despite our girl's sacrifice of her life to escape rape," said the victim's parents.

A few days ago, at Mirpur, a minor girl was raped and murdered by a number of men. The perpetrators are absconding but two women whose names did not appear in the chargesheet were arrested. On January 9 there was another news of rape of a four-year old girl by an eighteen-year old man. Earlier, a teenage girl student of class nine at Tangail was gang-raped. She is now fighting to survive in the one-stop crisis centre. We have seen photos of the rapists in the newspapers. But the incident would not have been publicised if the girl's treatment had been done properly (her family did not disclose to doctors she had been raped) and if the perpetrators had paid the compensation fixed by a village *shalish*.

This particular incident implies another reality. Not all rape incidents are reported for fear of social stigma or further intimidation. If the victim complains or is forced to complain (because she needs treatment to survive), then usually the perpetrators try to settle with the victim and her family by secretly providing a monetary compensation. In such cases, when the perpetrators do not abide by the shalish judgments, then that has a chance to be reported to the police. So what we see in the newspapers is just a small fraction of what is happening all around. According to statistics provided

by Ain O Salish Kendra, a national human rights organisation, in the year 2012, a total of 1,008 incidents of rape were published in the newspapers. Among the victims 98 were murdered after rape. Common sense implies that the actual number of rape is much higher.

Legal justice is a far cry. Bangladesh's existing legal system is far from what is required to ensure justice against rape and torture on women and girls. At least 90% are not reported. And among those that are reported, less than 10% of the perpetrators are punished. The chargesheets and medical reports are usually written in such a way that the criminals can easily escape trial.

The law says that it is the victim's responsibility to prove the offence. But what is the reality? The evidence is not rightly preserved, medical reports are not accurate, fear or intimidation of the witness to testify against powerful offenders all these only make it difficult to prove rape cases. The perpetrators cannot be punished automatically. So we must confess that it is our law-enforcing agencies, polluted political culture

and weak laws and a feeble social voice that perpetuate the silence against rape and other forms of violence against women.

The legal system alone cannot be held responsible. We need to scrutinise how we treat women. How we treat them in the family, in society and in the media, which is the most powerful tool to shape people's minds. Now we need to question the basic structure of our society. Should we wait for India to first set the example and then replicate those actions in our country? Or should we start re-thinking about ourselves? Now what is the response from our side? Are we just running after the most sensational stories? Do we justify our roles by merely joining some human chains? Is that enough to change the scenario?

Some people are trying to preach traditional concepts to deter any drastic change that frees women. Of course, the progressive media and their readers are great opponents against these traditional and regressive attitudes towards women. But who is listening? Just scan the newspapers for some days and you will know why. We can see an increasing trend of such incidents. Whether it is due to increased reporting or if the number is actually going up can be a good research topic.

But one image really struck my mind from these past weeks' movements--an Indian man sitting in one of the protest zones with a candle at his feet, quietly showing solidarity with the brutally murdered girl. And in front of him he had a placard which read "Let us look at ourselves first." The next moment I said to myself: "I also have a little girl. How can I make her life secure?"

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