

SOCIAL BUSINESS DAY 2015

A human way to do business

"In my experience, poor people are the world's greatest entrepreneurs. Every day, they must innovate in order to survive. They remain poor because they do not have the opportunities to turn their creativity into sustainable income."

-Professor Muhammad Yunus



AMITAVA KAR

I believe the division between social and conventional business is artificial and antiquated. All businesses are done by people and for people. All businesses

are, therefore, social.

Not quite. They should be.

Nobel laureate Dr. Muhammad Yunus has proved that social business is not only sustainable but also replicable. Healthcare, education and training, financial services, information technology, infrastructure development, renewable energy—in all these areas social business has the potential to bring real change benefiting the bottom 60 percent of world population and help them get out of poverty.

Many young people around the globe today do not see a way out of poverty within the frame of the current capitalist order where the top half population owns 99 percent of the wealth, leaving only 1 percent for the bottom half. I don't think this is how Adam Smith envisioned capitalism—we just redefined it to suit our purpose. Social business represents a departure from that world in which, tiny minorities of elites have been deciding the future of rest.

The main purpose of social business is to build in sustainability into development activities. The investor solves a problem by creating a business. Investors do not take any profit from their investment, except for getting their investment money back.

One of the major initiatives of Grameen Family is undertaking Nobin Udyokta (NU), or "New Entrepreneurs"



PHOTO: YUNUS CENTRE

programme. The Nobin Udyokta (New Entrepreneur) Programme is a new dimension in the development of Social Business in Bangladesh. They are the children of Grameen Bank borrowers. Grameen created a Social Business Fund to invest into the businesses of the children of Grameen Families. The programme encourages young individuals of the community to create employment for themselves as well as others by using their creative, innovative and entrepreneurial skills. In the NU case the investor solves the problem of youth unemployment. The New Entrepreneur is responsible for paying back whatever money he or she received as equity within an agreed

period. As the business makes profit, the investor receives his/her dividend. So from the investors' point of view this is social business but new entrepreneurs do profit driven business. Even profit-driven businesses can be designed as social businesses by giving full or majority ownership to the poor. This constitutes a second type of social business. Grameen Bank has done exactly that.

A great challenge for social business is to sell products or services at affordable prices to customers—often the poorest of the poor—while generating enough revenue to be financially viable. To overcome this hurdle, it must achieve an affordable

price point, while demonstrating the value of its product or service. In addition, it must know how to physically reach its target customers through the right distribution channel. For example, Grameen Danone had to invent a totally new marketing system to keep the market fragmented so that the low-cost "Shokti Doi" is reserved only for the poor children and does not appear in the urban market for the well-to-do. Today Grameen Distribution employs roughly 9,000 women, men and young people to sell products in Bangladeshi villages, reaching nine million of the remotest households of the country.

People are still learning what it means to be a social business. Some people confuse CSR activity with social business. Rather than giving out charity, CSR funds can be used to promote social business. If a charity can be converted into a social business it becomes a powerful undertaking because now the money invested is recycled endlessly.

Professor Yunus is taking social business to the root level by creating Social Business Villages (SBV). To make it an autonomous and economically viable entity, they take a Union, the lowest local government unit in Bangladesh, covering a cluster of about 20 villages, as the "greater village".

Since late 2011, this new model of business has come a long way with Yunus Social Business (YSB) financing 20 social businesses and expanding into eight countries: Albania, Brazil, Colombia, Haiti, India, Kosovo, Tunisia, and Uganda. And here at home, 1,039 social business projects have been approved for investment by programmes initiated by Professor Yunus.

A business that makes nothing but money is a bad business. The food we

eat is contaminated with toxic chemicals. We cannot trust our hospitals and other service providers. Everything that is decent in the human spirit seems to be in decline. Social business can give us a way out—if we want it. Social business leverages on business competencies such as quality management, employee motivation and improved organisational culture. Social entrepreneurs excel at togetherness. They are role models to others.

Grameen has set some good examples of that. Grameen Danone Foods Ltd produces yogurt containing 12 nutrients missing from

malnourished children's diet. Grameen Water sells safe drinking water at affordable prices, Grameen Intel creates software applications that address specific social problems; BASF Grameen produces impregnated mosquito nets that are long lasting and safe for use by families to combat insect-borne diseases. Grameen Caledonian College of Nursing provides world class training facilities for a career in nursing. Grameen GC Eye Care Hospital, founded in 2007 offers low-cost eye care.

A human being is not just a money making machine. Economics alone cannot define him. By engaging in social business it is possible to change the character of capitalism to the benefit of the many and not a few, and solve many of the world's social and economic problems within the scope of the free market.

There is ample evidence that people are moving from wanting to just own and earn things to wanting to feel and belong to something bigger than themselves. Social business offers the world that opportunity.

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The writer is an engineer-turned-journalist.

The sickness of illegal immigrants

NADER RAHMAN

A few days ago, the honourable Prime Minister Sheikh Hasina spoke vociferously about the plight of illegal Bangladeshi immigrants and said both the middlemen that trafficked them and those who risked their lives to go abroad illegally, had tarnished the image of the country.

It could have ended there, but it didn't. Employing a remarkable piece of rhetoric she continued, "Why are they going? It's not right to say all are doing this because of poverty... it seems they're chasing the golden deer, they think there is huge money abroad... this is a sort of mental sickness."

It pains me to say the 'mental sickness' she talks about lies at the centre of the government for their complete lack of understanding as to why thousands of Bangladeshis are willing to risk their lives for the dream of a better future.

The fact that needs to sink in is that they are willing to beg, borrow and steal a fool's ransom to be shoved into a boat with up to 400 others without so much as a meal or bathroom, for weeks on end, to travel to a country where they don't know the language or a single person, all in the hope of economic security.

Currently, thousands of people are doing the same in the Mediterranean and the only difference is that they are fleeing wars. To put that into perspective the North Africans that are dying by the thousands trying to reach European shores are risking their lives

to flee an active warzone and in Bangladesh they are doing exactly the same, except for the little fact that they aren't escaping a war.

They aren't running from the fear of bullets and blood, they are running from structural poverty, lack of opportunity and widespread inequality. They are running from a silent war that our government refuses to acknowledge or even worse, refuses to understand.

In 2014 the World Bank said, 47 million Bangladeshis live in poverty while 26 million live in extreme poverty. Let's not trust the flag bearers of neoliberalism and for the sake of this argument, halve those figures; that would still leave us with 27.5 million in poverty and 13 million in extreme poverty. Let's go one step further and claim the World Bank's statistics are catastrophically incorrect and halve the numbers again, leaving us with 14.75 million in poverty and 6.5 million in extreme poverty.

The fact of the matter is that with 14.75 million living in poverty and 6.5 in extreme poverty, it certainly leaves an enormous number of people looking for the next best opportunity and for many of them that lies, both legally and illegally, abroad.

In her speech it was interesting to note that those who were leaving Bangladesh legally, the nearly 500,000 a year that head to the Middle East, Malaysia, Maldives and the rest of the world in search of legal work were not spoken of as 'mentally sick' or chasing the 'golden deer'.

Why then are the illegal immigrants

mentally sick for wanting the same opportunities, just without legal means? Is it because they are willing to risk dying and being treated like animals for the lure of a decent salary?

Truth be told, many of those who leave Bangladesh legally may suffer the same fate as those that leave illegally. There have been reports of migrant workers being "trapped, exploited and abused" (Al Jazeera) while an unusually large number of them return in coffins as well.

In 30 years, from 1972 to 2002, a total of 3,613 expatriate Bangladeshis officially died abroad, in the next 11 years over 20,000 did. The increase in the figures of expatriate deaths is staggering and so are the causes of death that go with them.

The number one official cause of death is cardiac arrest and in one extraordinary period of four months from January to May 2009 (Migrant Forum in Asia), almost every single expatriate body that came back to Bangladesh was put down to cardiac arrest, nearly 20 times the national average.

For over a decade on average every single day five Bangladeshi expatriate workers die from 'cardiac arrests' and a litany of causes which often hide their dire living and working conditions.

These are people, just like the illegal immigrants the Prime Minister spoke of who left Bangladesh for opportunities they never found at home.

I'm not saying the government is to blame, they can't provide work for everyone and I'll give them the benefit of the doubt that they are doing the

best they can. But if they claim there is ample opportunity at home, it is they who suffer from a 'mental sickness', not the immigrants.

The government may be shocked and appalled at the way illegal Bangladeshi immigrants are treated but they need to take a closer look at the legal immigrants who don't fare much better. But why upset that applecart if their legal remittances are what the IMF calls "the single most important informal safety net program in Bangladesh."

The IMF's Poverty Reduction Strategy Paper for Bangladesh 2013 (Pg 178) also shows a positive correlation between district level poverty head count rates and their share of expatriate workers and also goes on to say, "a key factor underlying the more favourable poverty outcomes in Sylhet is the large inflow of remittances." In essence saying the more people that leave and send money back home, the better off the country is.

Bangladesh relies on its workers' remittances but is seemingly happy to turn a blind eye as to why half a million of them choose to leave the country every year and how the nearly eight million currently abroad are treated.

The answer lies in the government's myopia, it views the illegal immigrants as criminals who have opportunities at home but don't take them and while

simultaneously viewing the millions of legal Bangladeshi immigrants as a source of income and pride, thus never answering the question as to why they left in the first place. If so many Bangladeshis are willing to risk being tortured, enslaved and possibly being killed abroad for economic opportunities, the problem clearly lies at home, not with them and their mental faculties.

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Of the hundreds of thousands of immigrants that leave legally every year many don't make it back alive and the fourth most common cause of death for legal Bangladeshi immigrants is mental stress. Yes, you read that right, mental stress. Maybe the Prime Minister was on to something after all.

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QUOTABLE Quote



Jhumpa Lahiri, *The Lowland*

People are starving, and this is their solution, he eventually said. They turn victims into criminals. They aim guns at people who can't shoot back.

BEETLE BAILEY



by Mort Walker

HENRY



by Don Trachte

শেল্টেক বাজেটারী ফেয়ার ২০১৫

ঢাকার বিভিন্ন প্রাইম লোকেশনে

সাধারণ মূল্যে

শেল্টেক-এর অ্যাপার্টমেন্ট

বিক্রয় চলছে . . .

২২ মে - ১০ জুন ২০১৫

(সকাল ৯টা থেকে ৫টা পর্যন্ত)

শেল্টেক টাওয়ার: ৫৫ পশ্চিম পাটপথ, ঢাকা-১২০৫

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