

UN's BUSINESS CALL TO ACTION

Firms being equipped to build inclusive business models

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WHEN we talk about support for the bottom of the economic pyramid, our endeavours might seem somewhat myopic. Financial aid can only help to an extent. As for corporate social responsibility, one might argue it's just another form of charity that is not systematic or sustainable in the grander scheme of things.

So, there has been a surge in restructuring efforts in modifying operations, products, and services of businesses in such a way where disadvantaged people can be catered to through decent work and access to essential goods and services.

One such initiative is Business Call to Action (BCtA) launched at the UN in 2008 to accelerate the Sustainable Development Goals (SDGs) by "challenging companies to develop inclusive business models, which engage people at the base of the economic pyramid – people with less than \$10 per day in purchasing power in 2015 US dollars – as consumers, producers, suppliers, distributors of goods and services and as employees."

The BCtA stresses the importance of an inclusive business model that benefits low-income communities by including them in an organisation's value chain in a sustainable way. More than 200 companies have been included as BCtA members worldwide with the support of the UNDP.

There are organisations in our country which have proved that it is possible to do inclusive business through commercially viable initiatives involving low-income individuals as consumers, producers, suppliers, distributors and



employees.

In Bangladesh, the UNDP Innovation Hub is rolling out the initiative and member companies are impacting 21.6 million people through their core business across the SDGs.

Garment manufacturer DBL Group is one such member company in Bangladesh. The group joined the BCtA in 2016 and has pledged to provide more than 30,000 of its employees with access to affordable basic household food and health items.

Employees of DBL were finding it difficult to work or live in the remote locations of the manufacturer's new factories. Accessing daily necessities such as food or sanitary products at affordable prices was becoming an arduous task because of the lack of shops in these areas. Where food and other basic house-

hold necessities were being sold at skyrocketing costs in these areas, it came as no surprise that access to affordable women's hygiene products was out of the question. This led to decreased job satisfaction and productivity and high absenteeism.

In order to boost employee satisfaction and productivity, DBL launched its first Bandhan Fair Price Shop in Gazipur. While basic necessities were offered to employees at less than the usual market price, they were also able to buy these items on credit in this cashless shop without being charged interest. Gradually, these shops were established in five other DBL manufacturing complexes. The initiative of DBL has not only benefitted 24,450 employees of the company but has also reduced absenteeism by

more than a third and improved employee satisfaction.

Each shop sells around 370 items, including sanitary napkins, which are sold at more than 70 percent less than the average market price. Women are employed at Bandhan shops so that female employees are at ease when buying products. In this way, the company continues to pursue its BCtA commitment to provide social and economic empowerment to women at the base of the economic pyramid.

Even at this day and age, it's a taboo to say the 'P' word in our society. Let alone talk about the discomfort girls and women face when they are menstruating, one can't even buy a sanitary napkin without enduring the stares of a hundred eyes. The cost of sanitary napkins is another impediment that compels women to use cloths or fabric, contributing to bad menstrual hygiene and urinary tract diseases.

Sokhipad, which produces quality, lower priced sanitary napkins, has been a godsend for many girls and women from the lower income strata. It uses super-absorbent polymer so that the napkins can be used for long hours. Moreover, the pads are treated with ultraviolet ray to make them germ-free. Each pack costs Tk 65 whereas popular sanitary napkin brands cost around Tk 120-150 per pack.

Following its commercial production in October last year, five schools in Dhaka's Rayerbazar and Hazaribagh have been buying the napkins. Sokhipad also launched its operations in 14 districts outside Dhaka, where 700 volunteers, or 'Shokhi Apa', sell sanitary napkins door-to-door, thereby saving

girls and women from the embarrassment of buying sanitary napkins from pharmacies and open shops. They can even consult with volunteers about their concerns on how to use the product and how it can benefit them.

What's most interesting, however, is Sokhipad's marketing model, which does not involve retailers in profit sharing or marketing campaigns. Instead, the profits are reinvested in community awareness campaigns where the volunteers visit schools to inform school children about menstrual hygiene. The supply chain is maintained by the volunteers who bring in new customers.

Unilever Bangladesh regularly campaigns for better hygiene practices in Bangladesh. The issue of hygiene is compounded by the lack of access to safe water. Unilever Bangladesh, through its brand philosophy of "doing well by doing good," mainly focusses on community awareness building through educational campaigns. Through its water purifier brand, Pureit, for example, Unilever seeks to create awareness about the importance of clean drinking water, especially among the disadvantaged people. Similarly, through their handwash soap Lifebuoy, it seeks to raise awareness about the importance of washing hands.

In order for a community to develop and thrive, it's important to invest in the community's sustainability. Through their endeavours, these organisations demonstrate how a business can be made inclusive and impactful without compromising on their core business.

The writer is a contributor to The Daily Star.

US, China spar at WTO



REUTERS/FILE

US Ambassador to the WTO Dennis Shea talks with his Chinese counterpart Zhang Xiangchen, left, at the World Trade Organisation in Geneva.

REUTERS, Geneva

THE United States and China clashed anew at the World Trade Organization on Wednesday, accusing each other of undermining the multilateral trading system, according to texts of speeches at closed-door talks seen by Reuters.

U.S. Ambassador Dennis Shea also rejected a comment made by the European Union (EU) on Monday that Washington was at the "epicentre" of the crisis.

"The crisis is caused by the fundamental incompatibility of China's trade-distorting, non-market economic regime with an open, transparent and predictable international trading system," Shea said. "It is compounded by (WTO) members' collective failure over many years to address this problem."

Shea accused China of seeking to force technology transfer and "outright steal it when it sees fit" to become the top producer, particularly in strategic industries.

"China will subsidize and maintain excess capacity in multiple industries, forcing producers in other economies to shut down. China will dump its products on our markets, claiming that all is okay because our consumers pay a bit less," he said.

"This is not acceptable".

Hu Yingzhi, deputy director general of the department of WTO affairs at China's ministry of commerce, said "reckless actions" by the Trump administration were the root of the crisis.

"China absolutely refuses to be the scapegoat and excuse for unilateralism and protectionism," he said.

But Hu said China hoped that in the follow-up to the summit between President Xi Jinping and U.S. President Donald Trump earlier this month, the two powers could "move in the same direction with mutual respect to contribute to the stability of world economic and trade environment".

Elon Musk unveils his first Los Angeles-area tunnel

REUTERS, Los Angeles

BILLIONAIRE entrepreneur Elon Musk made a brief public appearance late on Tuesday to unveil the first tunnel completed by the underground transit venture he launched two years ago as an ambitious remedy to Los Angeles' infamously heavy traffic.

But contrary to some of his own hype from several months ago, free rides were not part of the grand opening.

In a 30-minute presentation carried by live webcast, Musk touted the newly finished 1.14-mile (1.83 km) tunnel segment as a breakthrough in low-cost, fast-digging technology being pioneered by his nascent tunneling firm, the Boring Company.

Musk has advertised the proof-of-concept tunnel as a first step toward developing a high-speed subterranean network capable of whisking vehicles and pedestrians below the "soul-destroying" street traffic of America's second-largest city at up to 150 miles per hour. But such a system has a long way to go.

The new tunnel was excavated along a path that runs not through Los Angeles but beneath the tiny adjacent municipality of Hawthorne, where Musk's Boring

Company and his SpaceX rocket firm are both headquartered.

Musk, best known as head of the Tesla Inc electric car manufacturer and energy company, launched his foray into public transit after complaining on Twitter in December 2016 that L.A.'s traffic was "driving me nuts," promising then to "build a boring machine and just start digging."

In May, the company gave the world a preview of the Hawthorne tunnel, posting a fast-forward video of its interior shot by a camera traveling the length of the cylindrical passageway, which measures about 12 feet (3.7 m) in diameter.

On Tuesday, Musk put the total price tag for the finished segment at about \$10 million, including the cost of excavation, internal infrastructure, lighting, ventilation, safety systems, communications and a track.

By comparison, he said, digging a mile of tunnel by "traditional" engineering methods costs up to \$1 billion and takes three to six months to complete.

Musk boasted of several cost-cutting innovations, including higher-power boring machines, digging narrower tunnels, speeding up dirt removal, and simultaneous excavation and reinforcement.



REUTERS

Tesla Inc. founder Elon Musk speaks at the unveiling event by "The Boring Company" for the test tunnel of a proposed underground transportation network across Los Angeles County, in Hawthorne, California on Tuesday.

Asian business confidence wallows near three-year low

REUTERS, Singapore

A very cautious optimism remains among Asian companies in the fourth quarter as they wait to see whether there will be any breakthrough in a trade dispute between the United States and China, a Thomson Reuters/INSEAD survey showed.

Representing the six-month outlook of 84 firms, the Thomson Reuters/INSEAD Asian Business Sentiment Index edged up to 63 in the October-December quarter, slightly above a near three-year low of 58 seen in the previous period.

Anything above 50 indicates a positive outlook. But the latest result still marks one of the lowest readings since a rout in Chinese stocks in mid-2015 rattled world markets.

"This confirms the reading of the previous quarter: there is more uncertainty, there are increasing concerns about growth," said Antonio Fatas, a Singapore-based economics professor at global business school INSEAD.

"This doesn't mean there is going to be a crisis over the next quarters, but if there is one, this is an indication that it wouldn't be a large surprise to some."



REUTERS/FILE

A worker carries a sack of rice inside a warehouse in the Philippines.

Once again, a global trade war was cited as the chief business risk by respondents. A slowdown in the world's second-biggest economy China and higher interest rates were also cited as risk factors. The survey was conducted in 11 Asia-Pacific countries, across a range of sectors from Nov. 30 to Dec. 14.

US President Donald Trump and Chinese leader Xi Jinping earlier this month agreed to a truce that delayed a planned Jan. 1 increase of US tariffs to 25 percent from 10 percent on \$200 billion of

Chinese goods while they negotiate a trade deal.

But that deal remains far from certain.

Trump has long railed against China's trade surplus with the United States, and Washington accuses Beijing of not playing fairly on trade. China calls the United States protectionist and has resisted what it views as attempts to intimidate it.

The dispute between the world's two biggest economies, threatens businesses throughout the region due to global value chains.

Modi says most goods to be taxed at below 18pc GST

REUTERS, New Delhi

INDIA will tax most goods at below 18 percent in a further simplification of the Goods and Services Tax, Prime Minister Narendra Modi said, aiming to shore up support among businesses that have struggled with the new system.

GST, India's most biggest tax reform, sets rates from 28 percent to 5 percent on most items, replacing an array of federal and state duties.

Modi told a conference on Tuesday that the government was looking to simplify the tax that was launched last year and would reduce the number of items in the highest bracket to just luxury goods. "Today, we are approaching

a stage where 99 percent items can be brought under 18 percent," Modi said in a speech at an event in Mumbai.

"...We firmly believe that GST must be as simple as possible and we are also working constantly in that direction."

Modi's ruling Bharatiya Janata Party faces a tough national election next summer and it is looking to consolidate its voter base among the middle class and businesses.

Last week, the party lost three heartland states because of anger over weak farm prices and lack of jobs. Disruptions from the GST and a ban on high currency notes in November 2016 curtailed growth, manufacturing, services and consumer spending.



REUTERS/FILE

India's Prime Minister Narendra Modi speaks with the media inside the parliament premises in New Delhi.