

Social Business Potentialities in Bangladesh: An Exploratory Approach

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Abstract

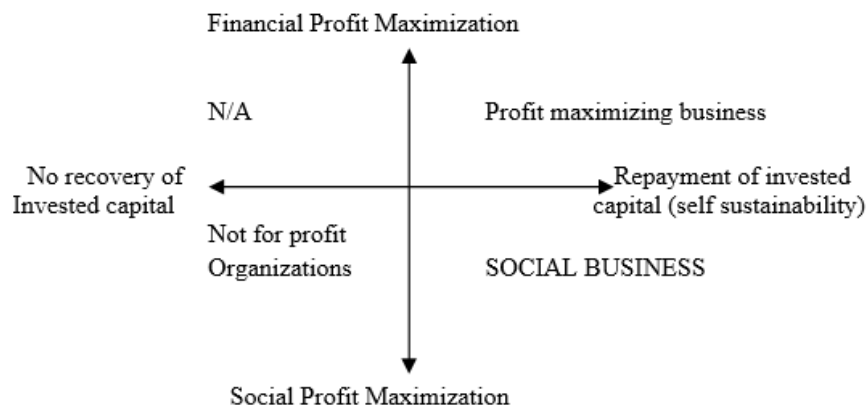
Social business is a process that bridges an important gap between business and benevolence. The present paper highlights the information collected through a survey of 30 potential social businessmen who are involved in different types of business activities of fifteen villages of Cox'sbazar district selected on the basis of purposive sampling. The present study focuses socio-economic characteristics of sample businessmen in study areas. The survey data reveal that the potentiality of social business development in the study areas of sample respondent is of very high degree. Further, the study pin-points a number of challenges such as lack of social and business skills of social businessmen, risks of social business management, inadequate of social data, problems in learning and adopting, lack of designing successful social business model and marketing programs of social business in study areas. The paper concludes with a number of strategies viz. promote events/marketing campaign, social business training program, village based social business, building institutions, support services and the likes in order to promote social business in Bangladesh in general and in study areas in particular.

Keywords: social business, social problems, exploration of business.

1. INTRODUCTION

Bangladesh is one of the world's most densely populated countries, situated in the north-eastern corner of South Asia. Hence like other developing countries of the Third World, rural development is a key to overall socio-economic development of the country. The population growth rate is around 1.37 per cent (BBS, 2011). While overall improvement in wellbeing can be seen across all regions, poverty continues to be a daunting problem with about 47 million people still living below the poverty line and 26 million people in extreme poverty (World Bank, 2013). Poverty in rural areas continues to be more pervasive and extreme than in urban areas, whereas urban areas remain relatively more unequal. On the other hand, 52 percent of household of Bangladesh is out of connected of electricity facility (Ahmed, 2013). The study forecast that if the current trend continues, the number of population living below the poverty line might stand at 57.3 million and 59.8 million by 2013 and 2021 respectively (Titumir & Rahman: 2011). World Bank makes remarks that despite an increase in rural real per capita consumption in 2010, the gap in the speed of poverty reduction between urban and rural areas has widened over the last five years. Extreme poverty still remains a rural phenomenon. According to the World Bank (2013) report, the poverty rate in Bangladesh is 31.5 in 2010 and as many as four crore 70 lakh people of Bangladesh are living below the poverty line and, of them, two crore 60 lakh live in extreme poverty. In order to alleviating poverty in rural Bangladesh, social business may open new type of business opportunities for creating employment opportunities in one hand and solving social problems on the other. Further, social business is always about finding the right balance, the best solution between the contradicting requirements of social and business all the time (Marchant, E. 2013). Thus social business may be treated as social tools, media and practices for solving social problems like health, food, education etc. through creating new form of business enterprises. It facilitates extensive interactions with all stakeholders and allow sharing of knowledge, skills and resources to drive profitability and productivity. Yunus et.al (2010) exhibited the social business vs. profit maximizing business and non-profit organization in **Figure-1**

Figure-1: Social Business vs. Profit Maximizing Business and Non-profit Organization



In Bangladesh, millions of people are looking for jobs. These unemployed people can be involved in different types of activities of social business. Economic development and self employment for the people have been an important agenda in the political and economic arena of the country. It appears that, social business may be used as an instrument for solving social problem as well as creating business opportunities in Bangladesh. The present paper is an attempt in this direction.

2. LITERATURE REVIEW

Recent years have witness renowned academic and practitioner interest in the subject of social business and its association with generation of new employment. As such, a number of studies were found to have been conducted over various aspect of this vital issue. Apparently the approaches of social business are distinctly difference from the ones of traditional business. The discussions made below will clearly support this assumption.

Yunus (2008) Identified that Social business is a kind of new business, solving social problems and cites limitations of conventional business to meet the social need. He explains its types and principles.

Yunus (2007) examined that 'capitalism' as a half-developed structure and to make the structure of capitalism complete, it needs to introduce another kind of business, which he called 'social business.' According to him, entrepreneurs will set up social business not to achieve limited personal gain but to pursue specific social goals.

Tengkui, Y. (2013), pointed out that the social business is a mainstream business model rather than an alternative form of business. He emphasize that social business may be used as a tool for poverty alleviation and it contributes in employment generation through social business development.

Mair and Marti (2006), identified that social business can be seen as a sub set of social entrepreneurship which includes both profit and not for profit initiatives.

Faber, E. (2013), opined that social business is a highly innovative idea and powerful tool to solve social problems and it brings in a completely new solution to businesses. It has been revealed that social business may open a new opportunities for poor people through generation of employment opportunities.

Chesbrough, R. Rosenbloom (2008), focused that social business depends on transaction between the firm and its external constituents.

The Review of the early works in same subject area in Bangladesh and around the world revealed that social business was not examined in detailed through research study.

3. OBJECTIVES OF THE STUDY

The main objective of the study is to examine the prospects and potentialities of social business and its impact on the poverty alleviation in Bangladesh. The specific objectives of the study are as follows:

- To identify the socio-economic characteristics of social businessmen.
- To examine the prospects of social business.
- To find out the challenges of social business.
- To suggest some strategies for social business development.

4. METHODOLOGY OF THE STUDY

The present study was confined to the Cox'sbazar district. The reason for selecting Cox'sbazar was based on the consideration that it will fully represent the picture of the district and be homogeneous in term of socio-economic environment. The main feature of the present study is the exploratory in nature. In order to get the requisite primary data, an interview scheduled was prepared in the light of the objectives of the study. The size of sample potential social businessmen was limited to 30. The technique of purposive sampling was used to select the

respondents. The main reason for limiting the study to 30 samples of Cox'sbazar was easy access of the researchers. Requisite data and information were collected through direct interview method by the researchers personally. The relevant supporting secondary data were collected through desk research in order to present the fact in a logical format. The desk study covered lecture series of Nobel Laureate Professor Mohammad Yunus on social business and various published and un-published research materials on the subjects. The data and information, thus collected were processed and analyzed in order to make the study more attractive, useful to the policy maker and other stakeholder.

5. FINDINGS AND ANALYSES

The analyses of findings are made under the following main captions keeping in mind the objectives of the study.

5.1 Socio-Economic Background of Potential Social Businessmen

Socio-Economic inheritance process some benefits, resources and privileges are passed on from the father and other family members to the next generations. As such in order to measure the socio-economic background of the sample social businessmen, the main indicators such as age, education, income, family size and occupation have been considered more relevant to the purpose of the study.

5.1.1 Age at the Time of Starting Potential Social Business

Age plays a significant role in determining behavior of people as people act differently in different age structure of life cycle. Age plays an important role in the development process of social business. The collected data in this regard have been shown in **Table-1**.

Table -1: Age of sample Potential Social Businessmen

Age Group	No. of Respondents	Frequency in percentage
Above 70 years	4	13.33%
60-70	6	20.00%
50-60	10	33.33 %
40-50	7	23.34%
30-40	3	10.00 %
Total	30	100%

Source: Field Survey

The survey data reveals that the sample potential social businessmen had an average (modal) age of 50-60 years at the time of starting their social business. Out of 30 respondents, 7 (23.34%) establish their social business between the age of(40-50) and 20% of the total sample social man established their social business after reaching 50-60 year of their ages. It appears that the modal age group is 50-60 when a person gets growth in his /her business, profession and vocation. Moreover, in this stage of life cycle people can take initiative for starting social business ventures by diversifying investment portfolio with their social entrepreneurship and enthusiastic zeal.

5.1.2 Education

A minimum level of education seems to be needed to evaluate social opportunity structure and attain the skill to exploit the available opportunity. The collected data in this regard have been shown in **Table-2**

Table-2: Educational Status of the Potential Social Businessmen

Education	Number of sample Social Businessmen	Frequency in percentage
Post-graduate	6	20.00%
Graduate	7	23.33%
H. S. C	11	36.67%
S. S. C.	5	16.67%
Vocational & others	1	3.33%
Total	30	100%

Source: Field Survey

Table-2 reveals that the education level of sample potential social businessmen from 36.67 % in the H.S.C. category followed by 23.33% respondents having educational background at Graduate labels. Again, 20%, 16.67% and 3.33% of the sample social businessmen have educational background are Post-graduate, S.S.C. and Vocational and others respectively.

5.1.3 Income

Income of social businessmen is the determinant factor for starting social business in order to contribute in social welfare as well as managing business enterprises efficiently and effectively. Against this background, the monthly income of the sample social businessmen has been revealed in **Table-3**.

Table 3: Income range of Potential Social Businessmen

Income level	Number of sample Social Businessmen	Frequency in percentage
Above 1Crore	5	16.67%
50Lacs-1Crore	6	20.00%
20Lacs-50Lacs	10	33.33%
10Lacs-20Lacs	7	23.33%
1Lac-10Lacs	2	6.67%
Total	30	100%

Source: Field Survey

Table-3 shows that out of 30 sample potential social businessmen interviewed, 33.33% have monthly income Taka 20Lacs-50Lacs, followed by 23.33% with income distribution of Taka 10Lacs-20Lacs and by 20% with between Taka 5Lacs-1Crore. It further portrays that the sample potential social businessmen numbering 5(16.67%), 2(6.67%) fall within the income groups of Taka above 1Crore and 1Lac-10Lacs respectively. As such, it can be said that the potential social businessmen have surplus income which facilitates savings, investment and capital formation. Hence social businessmen can contribute in social up liftmen through social business development.

5.1.4 Family Size

This factor has definite bearing on the level of savings and investments and therefore on the emergence and development of social business. In such a context, the survey results have been shown in **Table-4**

Table 4: Family Size of Potential Social Businessmen

Family Size	Number of sample Social Businessmen	Frequency in percentage
Below 2	7	23.33%
2-3	9	30.00%
3-4	11	36.67%
4-5	2	6.67%
5 and above	1	3.33%
Total	30	100%

Source: Field Survey

Table-4 reveals that out of 30 respondents 11 (36.67% have family size between 3-4, followed by 9 (30%) with family size between 2-3 and by 7(23.33%) with family size below 2.The table further shows that the sample potential social businessmen numbering 2 (6.67%) and 1(3.33%) with family size 4-5 on one hand and the family size of 5and above on the other. It is thus asserted that the larger family size of sample potential social businessmen perhaps causes lower rate of savings and investment, which in turn may lead to adverse impact on the flourishing of social business.

5.1.5 Parental Occupation of Sample Potential Social Businessmen

The occupational mobility in a society where an individual has great freedom of choice is mainly the factors like motivation, efforts of an individual and opportunities available. In such a context, the collected data in this regard have been shown in **Table-5**.

Table-5: Parental Occupation of Sample Potential Social Businessmen

Parental Occupation	Number of sample Social Businessmen	Frequency in percentage
Academicians/Politicians	3	10.00%
Religious Leaders	5	16.67%
Landlords	8	26.67%
Industrialists	10	33.33%
Social Reformers	4	13.33%
Total	30	100%

Source: Field Survey

Table-5 shows that the occupational mobility of 10(33.33%) sample respondents out of a total of 30 have been industrialists, followed by 8(26.67%) with landlords. It has been revealed that 5(16.67%), 4(13.33%) and 3(10%) of the sample respondents pointed out religious leaders, social reformers and academicians/politicians respectively.

5.2 Prospects of Social Business

Social business promotes economic development of a country by solving social problems and creating employment opportunities, In turn improves product and factor market for further development of business

environment. It has been observed that the prospects of social business development in Bangladesh are bright. Against this background, the collected data in this regard have been shown in **Table-6**

Table-6: Prospects of Social Business Development

Variables	Social Businessmen's Ranking Of Variable			Weighted Scores	Rating Percent	Rank Number
	No. 1	No. 2	No. 3			
Social business as business model innovation	2	4	1	16	8.82	5
Social Welfare and Poverty Alleviations	5	7	4	33	19.41	3
Favoring social profit oriented shareholders	11	8	5	54	31.77	1
Clearly specifying the social profit objectives	9	9	6	51	30.00	2
Undertaking continuous experimentation process	3	2	3	16	9.41	4
Total	30	30	19	170	100%	

Source: Field Survey

Note: The ranking factor indicates 3, 2 and 1 points respectively. The overall ranking has been made on the basis of the percentage of total weighted scores for each facilitating factor.

Table-6 reveals that the major factors as opined by sample respondents regarding potentiality of social business development. It shows that more than 31% respondents regard "Favoring social profit oriented shareholders" as a significant factor. It occupies the highest position in the overall ranking. Again, 11 of them ranked it first, 8 ranked 2nd and 5 of the sample respondent ranked it 3rd. The Table further shows that the factors of potentiality ranges from the "Social business as business model innovation" having 8.82% at the lowest, ranked at 5th, to "Clearly specifying the social profit objectives" with 30% at the 2nd highest i.e., ranked in 2nd position. It is further observed that the other factors of potentiality are "Social Welfare and Poverty Alleviations" and "Undertaking continuous experimentation process" and in terms of rating are 19.41% and 9.41% respectively. From the above facts it can be inferred that the potentiality of social business development in the study areas of sample respondents is of very high degree.

5.3 Challenges of Social Business Development

An effective business model is essential for social business development. Because it is a commercial business organization. Many challenges engulf the processes of social business development among the sample social businessmen of study areas. Based on empirical data a number of challenges have identified which are revealed in Table-7 in order of magnitude.

Table-7 Challenges of Social Business Development

Challenges	Frequency in percentage
Lack of social and business skills of social businessmen	100
Risks of social business management	100
Inadequate of social data	65.33
Problems in learning and adopting	49.31
Lack of designing successful social business model	40.21
Marketing programs of social business	25.67

Source: Field Survey

Table-7 shows that Lack of social and business skills of social businessmen, Risks of social business management are the two most important challenges in the process of social business development, Inadequate of social data affect the social business development adversely which ultimately frustrate the sample social businessmen in starting new venture like social business enterprise. It appears from the observation that learning and adopting are not adequate in study areas. It has been reported that the practice of social business model is far from satisfactory level. Motivational programs as well as marketing programs offered by media and other development agencies do not reputedly cover the prospective social businessmen in study areas. Thus, the social businessmen are deprived of receiving right information to take right decision in right time regarding social business development in sample areas.

5.4 Strategies for Social Business Development

The potentiality of development of social business is very bright in Bangladesh. In view of the fact that the country is substantially endowed with raw materials for various types of social businesses, cheap supply of human resources and a vast domestic market. Thus the following strategies are suggested in order to make the social business development efficient as well as effective.

5.4.1 Promote events/Marketing campaign

The concern stakeholders may be encouraged to use group marketing approach in the case of promotional programs of sample areas which may lead salutary impact on efficient marketing of social business model. This marketing approach may undertake same activities like organizing industrial exhibitions, fairs, display and dissemination of marketing information regarding social business which may, in term, lead to publicity and wide circulation of social business concept in the country.

5.4.2 Social Business Training Program

Social business development training program may be designed and launched for the concern stakeholders for organizing and managing social business in rural Bangladesh. Thus, by building skills of concern groups about social business, they may be involved in the chain social business process. Therefore, the target groups become a self-reliant, creative and self motivated human resources for themselves as well as for the country too.

5.4.3 Village Based Social Business

Promotion of village based social business can help alleviate poverty and mobilize rural resources and affords of rural people to make them job creators instead of job seekers. This development process may contribute to the improvement of quality of life as well as creation of countless social businesses in rural Bangladesh.

5.4.4 Support Services

Social business development program may be comprehensive as far as possible. The program may be supported by integrated package assistant like stimulatory, supportive and sustaining activities for social business development in study areas.

5.4.5 Building Institutions

Social businessmen may be brought into a net work by some institutions like for centre “Social business development” to harmonize ideas to establish social business enterprises with collaboration among the Government, NGO’s and other development agencies. These institutions may play a significant role in the development of social businesses as well as creating jobs in the study areas.

6. CONCLUSION

Promotion of social business can help alleviate poverty and mobilize natural resources and affords of the poor people to make them self-reliant through income generating activities. Thus the innovative business approach like social business development process may play a key role towards empowerment of poor people through emerging as job creators instead of job seekers. Thus, the concern stakeholders may take appropriate policy actions for social business development in various sectors of economy like education, health, infrastructure, energy in the study area as well as in Bangladesh too.

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