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**Contribution of Social Business Model to Solve Social Issues.**  
**The Case Study of Bangladesh**

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## **Introduction**

According to Muhammad Yunus, the founder of the social business concept, social business is a financially viable entity created only to solve social problems (Yunus, 2009). While the initial expenditures are restored, all additional income is redistributed to further strengthen the organization's social impact. The surpluses produced by the organization earn no profit on money and they reinvested in the business again, thereby adding more value in the distribution of the goods and services provided. Social business is, in reality, an unusual mixture of conventional for-profit organizations (which focus solely on profit and social benefit) and non-profit organizations (Yunus, 2009). While these social businesses have been around for several decades now, in recent years work on this subject has only begun to be investigated. It is also important to remember that social trends deserve attention, and such institutions could operate in various structures (Huffington Post, 2012).

In general, social business is a form of commerce striking a balance between socio-economic objectives, falling somewhere between profit-maximizing businesses and non-profit organizations (Battilana & Lee, 2014). Social businesses work in most respects as for-profit companies, but because the social effect is the primary aim of this industry, all profits have to be invested back in the company (i.e. no dividends are paid out to the owners) or used to create new social companies to maximize the organization's effect. A prominent example of a social company is the Bangladesh-based Grameen Bank, which gives loans to the poor every year amounting to about one billion US dollars. The social business economy is currently still small, but it nevertheless becomes a stakeholder in its own right alongside for-profit companies, cooperatives, the state, civil society, and NGOs. There are two forms of social business as said by Muhammad Yunus i.e., a non-profit, a non-dividend organization dedicated to addressing social issues and held by stakeholders who invest all earnings into growing and developing the organizations. On the other hand, a for-profit company is

held by the poor public, either directly or by means of a trust dedicated to a fixed social basis. In a developing country like Bangladesh, social business has long traditions. However, the practice did not exist as a paradigm until Muhammad Yunus clarified it.

Muhammad Yunus (2008) went on to say that social business competes in a similar market as for-profit businesses. They compete with them, attempting to build and provide improved consumer service, and attempting to take market share from them, just like other companies. If social business offers similar products or services as profit-making enterprises, customers would choose between the two if there is no discernible variance in products or services' quality. Prices, quality, convenience, accessibility, brand image, and all other features of customer preference standards would be considered. Relatively, the social profits generated by social business would be an additional incentive for certain customers to purchase from social business companies, much as particular customers at present tend to patronize products with a repute for being worker- and environment-friendly, or socially conscientious. Further, Yunus pointed out that social business should vie with each other in a healthy environment. If some social business operates in similar sectors or market segments, clients would be able to choose which one they prefer.

Social business has got a role model in women's empowerment, unemployment and poverty reduction in Bangladesh. The aim of this thesis is to determine the role of social business as a means to solve social issues and create economic sustainability for rural and bottom of the pyramid areas. Social business also improves women's empowerment and unemployment and it is instrumental in poverty reduction. Government and some NGOs have taken the decision to help poor woman in the community to regain their rights by providing them with an effective education. Social business has been one key strategy in this movement. If government and the third sector work together the country will be a better place to live for women in villages and the city (Sholkamy, 2014). Social business plays a key role by providing various educational and vocational programs for women and unemployed workers (Sholkamy, 2011).

Social business delivers four components for women: 1) it enables them to understand their self-worth in society 2) they can regain their rights 3) they can make decisions relevant to their own circumstances 4) they can influence other women in society to grow a better society (Tadros, 2014). Depending on the type of business, it may also be appropriate for the social business to provide instruction in specific social

business vocational skills. Such instruction would include locating information about business openings, completing business applications, and preparing for the sell product process. The social business models refer to the need to develop priorities for blanching variety of roles including those of women. Decisions about business are an integral part of the social business model. Author showed social business model by Prof. Yunus and Ester Duflo social business model, focused on strategy, technology and good governance.

The social business model is widely known, though simultaneously facing extreme analysis (Klang et al, 2014). Social business models extend the company's boundaries and help conceptualize value development and capture in networks and broader environments (Zott and Amit, 2013), and link customers and content distribution to conventional value chain descriptors (Bade, 2013). Business models are seen not only as commercial practices but also as partnerships with other businesses (Chesbrough, 2010; Seelos and Mair, 2007) and Dahan et al. (2010) endorsed this in their analysis of the co-creation of business models for emerging markets through corporate-NGO collaborations and highlighted the need for cooperation between these two types of organizations. Developing research has focused on social business in developing the idea of social business models based on identifying and exploiting social improvement opportunities in the context of social business projects (Austin et al., 2006; Poon et al., 2009; Shane and Venkataraman, 2000; Yamada, 2004). When considering value development and consumption at the level of both organizations and society (Seelos and Mair, 2005; Seelos and Mair, 2007; Seelos et al., 2011; Yunus et al., 2010), social business models are actively chasing results both for-profit and non-profit (Wilson and Post, 2013). Based on some well-known business models, such as micro-finance in developing countries, Yunus (2010) and Yunus et al. (2010) argued that the conceptual basis for a social business model varies because it cannot automatically reproduce business models for profit. In addition to the basic growth problems of the business model, social business models need to consider all stakeholders and define the expected, resulting benefit to society.

As Yunus et al. (2010) indicate, that the social business model's long-term viability depends on its capacity not only to be successful but to add benefit to society as well. Specifically defining the social benefit objectives would overlap social and financial achievements and decrease future problems among stakeholders. Yunus et al. (2010) suggested four related components of social business models: the value

proposition, the interest formula, the economic benefit equation and the social profit formula (p. 319) and called for further work on social business models which could enhance the understanding of them, suggesting creative ways of reconsidering traditional business and helping society. More recent work has greatly improved this first commitment to social business models.

According to Esther Duflo, social business models are stories at heart that illustrate how social business operates. A strong business model answers the age-old problem from Peter Drucker: “Who is the (BOP) bottom of the pyramid? and what is the BOP people’s economic value?” Duflo described three parts of the models, social business strategy, technology, and government. Before delving into the types and categories of social business models, it would be helpful to define what exactly Duflo's social business model is, and how a business model could vary from a conventional business model. Governance, policy, and technology are the three core components of the social business model.

### **Potential value of the topic**

Extreme poverty and unemployment in Bangladesh impacts citizens negatively and requires urgent action. Social business plays an important role in Bangladesh to solve social problems. Indeed, social business is the driving force to catalyse change and to find common ground to solve social issues, specifically in rural areas. Social businesses have the right business model to reduce poverty and unemployment. This type of business is key to solving economic problems and social issues at the bottom end of the pyramid. The core premise of social business is to use economic operations to create social value and solve social issues and problems. Social business activities generate economic value and are the central principle of solving social issues. Social businesses are self-regulated and aim to contribute to the social goals of a philanthropic activist to supporting ethically oriented practices. Social business has a revolutionary impact not only on the Bangladeshi economy, but on the whole world. The contribution of social business to solve social issues is especially important in Bangladesh, where the social policy programs are being neglected and underfund.

### **The objectives of the research project**

#### **The main objective:**

Efficiency verification of the chosen operational social business’ model and its further development on the base of empirical research conducted in Bangladesh.

**Detailed objectives:**

1. Presentation of the Mohamed Yunus' concept of social business as a scientific model.
2. Presentation of different social business models in order to indicate their potential contribution to solve social issues of the bottom of the pyramid social groups in Bangladesh.
3. Indication of the operational social business model elements such as strategy, technology, governance.
4. Presentation of social business implementation by Yunus social business centers and Grameen Bank.
5. Indication of the relation between social business and the Bangladeshi government basing on the concept of good governance

**Hypothesis:**

In the thesis, the main hypothesis will be demonstrated: Efficiently designed and implemented social business model contributes to solving social issues especially in developing countries, where the governments do not show the involvement in social policy.

**Research questions:**

1. How social business can help in creating social and economic value for the bottom of the pyramid (BOP) areas and social groups of Bangladesh?
2. What kind of social business models are effective in the process of empowerment of the unprivileged social groups (women, the unemployed)?
3. How effective social business is in supporting poor rural area women in Bangladesh by involving them in various social businesses activities?
4. What are the technological solutions provided or supported by the social business organisations and companies?
5. What is the role of Yunus social business centers and the Grameen Bank in fighting financial and social exclusion?
6. What is the actual and the desired Bangladeshi governance's engagement in social business support?

7. What is the importance of good governance in terms of the implementation of effective social business model?
8. What is the approach of Bangladesh government to social business implementation

### **Research methods:**

According to Saunders et al. (2007), the data collection techniques employed may be different and are likely to be used in combination. “The case study method, author is probable toward demand to consumption, and triangulate various sources of data. Triangulation is routine of dissimilar data gathering techniques (for instance, qualitative data collection using semi structured interview and quantitative data collection using questionnaires) within one analysis to make sure that the data are significant investigator approaching what the author thinks” (Saunders et al., 1997). The methodology aimed at this thesis was the amalgamation of experimental qualitative effort to concept a theoretical background through survey interview. However, exploratory qualitative research was expediated to decrease and upgrade aspects collected from the literature review. Additionally, in-depth interview was picked as the method of information collection. Primary and secondary data was used for this thesis. Author used the secondary data from library books, university website, newspaper, international journal, company newsletter and e-books. Researcher used the secondary data for description, mistake, circulation, independent, nature and reliability.

Author also applied survey method in the thesis. Survey was used for experimental, explanatory and descriptive reasons. The survey also used for specific persons as the units of analysis. Though survey method used for other units of analysis, for example, units or communications. “Survey research is the social researcher who is interested in collecting original data for describing a population too large to observe directly. Careful probability sampling provides a group of respondents whose characteristics may be taken to reflect those of the larger population, and carefully constructed standardized questionnaires provide data in the same form from all respondents” (Babbie, 2020, p.270). “The interview is an alternative method of collecting survey data. Rather than asking respondents to read questionnaires and enter their own answers, researchers send interviewers to ask the questions orally and record respondents’ answers. Interviewing is typically done in a face-to-face encounter, but telephone interviewing, discussed in the next section, follows most of the same guidelines. Most interview surveys require



more than one interviewer, although you might undertake a small-scale interview survey yourself. Portions of this section will discuss methods for training and supervising a staff of interviewers assisting you with a survey” (Babbie, 2020, p. 291).

The research methods and techniques applied in the thesis include survey interview method, historical source comparative method, legal analysis, official documents analysis and the case study. The own research was conducted via surveys. The technique used to conduct the surveys was interviews with an interviewer, the author s research assistant. Author conducted survey among 55 rural social business women in Magura, Bangladesh. Author conducted survey twice, first survey was in 2015 for master thesis and second survey was on 20 July 2020. For the pandemic author were unable to took survey face to face but author research assistant helped to conduct survey. The pre-prepared questionnaires were distributed to 55 rural social businesswomen in Magura, Bangladesh via Skype, WhatsApp and Viber as this was both time and cost-effective. The questionnaire contained questions designed to elicit information appropriate for analysis.

Questionnaires are used primarily in survey research but also in experiments, field research, and other modes of observation. closed-ended questions survey questions in which the respondent is asked to select an answer from among a list provided by the researcher. These are popular in survey research because they provide a greater uniformity of responses and are more easily processed than open-ended questions (Babbie, 2020, p. 270).

Author used interview survey method, “closed-ended questions method and questionnaire a document survey method. Convenience non-probability sampling technique used for quantitative survey. “Convenience sampling refers to sampling by obtaining people or units that are conveniently available” (Zikmund. 2000, p. 396), “This is the most repeatedly used because of its speed, cost advantage, and flexibility over the random sample (Gorton & Carr, 1983). Moreover, non-probability sampling provides information rich case study in which author can explore research questions (Saunders et al., 2009). However, one of the disadvantages of non-probability sampling is that it tends to be biased which is beyond the researcher’s control because the cases come out in the sample only due to the ease of attaining them” (Saunders et al., 2009).

Author also analyzed the secondary historical sources while describing social business history and Grameen bank, Bangladesh political regime history. Comparative method was also applied. Comparative methods seek evidence for adaptive evolution

by investigating how the characteristics of organisms, such as their size, shape, life histories, and behaviors, evolve together across species (Pagel, 2001). Through this method author adapted social business model and social entrepreneurship model.

Case study method enables a researcher to closely examine the data within a specific context. In most cases, a case study method selects a small geographical area or a very limited number of individuals as the subjects of study. Case studies, in their true essence, explore and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships (Zaidah Zainal, 2007). According to Yin, the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. In some case studies, an in-depth longitudinal examination of a single case or event is used. The longitudinal examination provides a systematic way of observing the events, collecting data, analyzing information, and reporting the results over a long period of time. A case study is a unique way of observing any natural phenomenon which exists in a set of data (Yin, 1984). By unique it is meant that only a very small geographical area or number of subjects of interest are examined in detail (Zaidah Zainal, 2007).

“A case study is unique within the social sciences for its focus of study on a single entity, which can be a person, group or organization, event, action, or situation. It is also unique in that, as a focus of research, a case is chosen for specific reasons, rather than randomly, as is usually done when conducting empirical research. Often, when researchers use the case study method, they focus on a case that is exceptional in some way because it is possible to learn a lot about social relationships and social forces when studying those things that deviate from norms. In doing so, a researcher is often able, through their study, to test the validity of the social theory, or to create new theories using the grounded theory method” (Ashley Crossman, June 23, 2019). This thesis divided into 4 chapters and each chapter is divided into 4/5 subchapters. The thesis conclusions are presented at the end of the thesis.

## **Chapter I: Social Business Theoretical Frameworks**

In a general, social business is a form of commerce striking a balance between socio-economic objectives, falling somewhere between profit-maximizing businesses and non-profit organizations (Battilana & Lee, 2014). Social businesses work in most respects as for-profit companies, but because the social effect is the primary aim of this industry, all profits have to be invested back in the company (i.e. no dividends are paid out to the owners) or used to create new social companies to maximize the organization's effect. A prominent example of a social company is the Bangladesh-based Grameen Bank, which gives loans to the poor every year amounting to about one billion US dollars. The social business economy is currently still small, but it nevertheless becomes a stakeholder in its own right alongside for-profit companies, cooperatives, the state, civil society, and NGOs. The investors/owners would slowly recover the money invested in a non-profit organization, but after that, they take no share. The business purpose is specifically to attain one or more social objectives through the company's operations. The investors do not foresee any financial benefits. The business must be financially sustainable to cover all expenditures (remove plural - expenditure) while simultaneously fulfilling the social goals in fields such as healthcare, schooling, scarcity, environment, technology, weather urgency, etc. If the investor has been compensated for the initial expense, income stays within the organization to make its goal greater and increase the effect on society.

Social business does not only tackle financial and environmental problems but through business and development also creates job growth. Public businessmen, however, defy this presumption and reap the profits of stakeholders (not only shareholders). This is a rather interesting contrast to typical business motivated solely by the pursuit of income (not social welfare). Innovative business ambidexterity combined with moral honesty also promotes characteristics apart from independence from organizational bias. Those are probably the most significant antecedents for producing sustainable output calculated in terms of income, social effects and effects on the environment; we call this social benefit. As socialism could be the next phase of policy-making, and hence, instructional education in the schools and colleges would be an example of such a social business philosophy. Moreover, it could be a solution for

the unemployed; Governments should launch a push that could be useful for future generations through social businesses.

Billions of dollars contributed to charitable organizations by people all over the world annually show that people want to contribute money in a way that benefits others. Moreover, as mentioned above, investing in a non-profit organization is in many ways different from charitable activities, because the business is self-sustaining and donors get their money back: people who donate to charity do not. The shareholder remains the business's owner, and will, therefore, agree on the potential action to take. The ability to make capital with social business provides an interesting ability for business people to use their business skills and imagination to solve social problems. Therefore, social business is a suitable new approach to poverty reduction because it offers economic solutions (the income from the project would cover capital expenditure and operational costs) and requires duplication.

The project's relative strength and financial profitability especially enhancing profitability through the coordination of frameworks in the form of “Reinsurance Group of America” (RGA), would allow for this shift in scale. Organizations eager to test creative solutions in different ways are required to reproduce the systems. Such businesses must be able to launch a trial project and bear the costs (building infrastructure, funding, assessment, etc.). But besides these conditions, even in the short term, there are benefits for the business: Social Business places a company on a learning process. The theoretical framework offers a comprehensive approach to the various forms of social business and gives another platform to test their conclusions for stewardship researchers. Theoretical work has suggested benefits of social business development; social business and technology background element that is the most significant obstacle for social investors – the lack of a systemic approach to legal, tax, co-operation and institutional conditions, as well as technical training (Kostetska & Berezyak, 2014). It created the theoretical structure of developing social enterprise and development projects, arguing that there is a shortage of work in the field. Design of the social enterprise growth plan encompasses several stages: context, procedures, and outcomes. Grimes, McMullen, Vogus, & Miller (2013) addressed the importance of context, arguing, first of all, that it is important to examine the environment and circumstances that provide opportunities for social technology. It implies using human,

intellectual and digital resources to influence *social* processes and business efforts to solve problems in society.

Zahra, Gedajlovic, Neubaum, & Shulman (2009) emphasized the role of social businessmen in the growth of social enterprise programs. They claim that social business people have a huge effect on their societies they offer solutions to challenging and complex social issues by utilising business models. It is in this way that shared value is created, comprising social and economic importance. That is: social business covers both social and economic wealth creation. Perrini, Vurra, & Costanza (2010) described the following phases in social entrepreneurial growth: 1) defining opportunities for small business growth; 2) evaluating opportunities; 3) leveraging opportunities; 4) expanding advantages. In the sense of development for businesses, Bessant & Tidd (2011) demonstrates the aim of social responsibility; the ownership of a vision; the appreciation of opportunities that could be both aware and unconscious; the desire for assistance in introducing change and the importance of risk assessment.

Perrini, Vurra, & Costanza (2010) suggested the development of social activities as a theoretical framework when defining the opportunity reflecting businesses' perception of the existence of an unacceptable social situation; evaluation based on the balance between sustainable projects and impact on society; the mission, the organizational concepts and the creativeness of the project are described when the opportunities occur; 4) the mission and the principles of social responsibility are converted to the appropriate model, form; 5) the chance arises because of the fundamental potential of the idea of social business and makes it possible to apply it in a particular context and to provide wider coverage of the social business.

While assessing the development process of social business ventures, it is important to highlight the importance of his personality to the social businessman; his awareness of the social problem, organization of activities; his ability to solve problems responsibly, to use various sources of information and to start a social business under certain environmental factors.

Furthermore, it is highlighted that social gain is paired with a stable economic model and the reality that all phases of the process occur in a given context. The problem about the growth of social business and development ventures could come from various investors through joining hands, seeking long-term benefits and creating efficiencies (Lauzikas & Cernikovaite, 2011), but the main driver of a transition is the social businessman himself (Adomaviciute et al., 2012). Also, it could be argued that

the growth process of small business projects starts with the operation of pro-active collaborations with various stakeholders and is driven by the vision that a social business individual sees clearly and works actively to achieve social value development and the successful transfer of projects into other markets. In summary, researchers may state that this paper expands previous studies by offering a theoretical structure that could be used by government organizations or companies to further study supporting social innovation projects in the various institutional contexts. Another approach could be focused on looking for empirical evidence of the conceptual structure proposed.

According to the Huffington Post (2012), almost 81 billionaires give away more than half of their fortunes to charity for social purposes. Additionally, Bill Gates and Warren Buffet who are the most renowned business icons, dedicated the initial phases of their lives to creating a successful business and have now devoted their second phase of life to investing money to create a strong social impact through business talents. This practice is generally referred to as social business management, a very complicated concept. This type of social business is based on the concept of philanthropy. The social business also intervenes in the sectors of people's resettlement away from work, access to treatment, dependency, climate, housing, etc. They are characterized by their operation and not by their citizenship status (therefore, they may be formed in the form of an organization, cooperative, collective society or small public enterprise). Often small, these companies face difficulties in developing, in particular because they lack capital and are little known to politicians - and therefore receive little support in terms of poverty reduction, job creation, and innovation (Boutillier & Uzinidis, 2012). After the war in 1971, the situation in Bangladesh was very miserable. The economic and social situation was deplorable due to problems it was not possible for the government to solve. In this situation, the government called on various NGOs to provide social services. As a result, social business (Social Business?) is one of the NGOs that have come forward to solve the social problems and the government welcomes social business to provide loans to poor people.

Historically, social business is part of an older reality, that of the social economy, putting together companies that have begun to innovate in France and economic solutions for Europe (Spear & Bidet, 2010). The social economy brings together three types of economic organizations - associations, cooperatives and mutual - which have a certain number of common features. They are partnerships and not of capital which have democratic management: the rule of a person, a voice is applied in

these companies, which means that the decision-making power is evenly distributed among all members of the organization and not, as for classic capitalist enterprises, in proportion to the capital held.

Over the last few decades, the term social business has become an important subject of discussion between academics and practitioners. This concept is widely interpreted as an endeavour to identify social issues and make the concepts of business development to coordinate, to develop, and to attempt (which is risky) to bring about desired changes in society. So, the aim is for social, cultural and environmental interests, and usually has links to volunteerism and the non-profit sector. Mair and Marti (2006) explain the sense of social enterprise by, first: a cycle of value-development by integrating capital in new ways. Second: The primary aim of this resource pool is to identify and leverage possibilities for generating social capital by promoting social change or addressing industry needs. Third, seen as a method, the social business provides goods and services, but may also lead to better organizations being created (Mair and Marti, 2006).

Social business is relatively new, but its practice in history has occurred for hundreds of years, namely the establishment of several social foundations/ institutions including: the cooperative movement by Robert Owen; the first modern nursing school by Florence Nightingale (UK); early childhood education institutions by Maria Montessori (Italy); the National Park System's protection and conservation agency (John Muir (USA): Cultivating the use of ancient Egyptian pottery for the storage of fresh food during "hot" weather by Mohammed Bah Abba (Nigeria); Al-Manarah Organization, to stop discrimination against people with disabilities in their country by AbbassAbbass in 2005 (Israel); Helping young Americans in preparing skills after graduating from high school through on job training by Rafael Alvarez(social entrepreneur. 2014).

While almost no one referred to it a dozen years ago, the concept of social business is making an astonishing breakthrough on a global basis. In the United States, it found its first significant echo in the early 1990s: among other possible benchmarks, we could cite the "Social Business Initiative", launched in the year 1993 by the Harvard Business School. From that time, many other universities such as Columbia, Yale, etc. as well as several fundamentals have set up training programs and support for social business (Leś and Kole, 2012). Therefore, social business is regarded as a creative solution to the finance issues of "non-profit" organizations, which are gradually coming

up against limits in their ability to accumulate private contributions or their quest for subsidies from government and organizations. The concept is also used to highlight the innovative nature and the financial risk assumed by certain types of initiatives (OECD, 2010).

In Europe, it was also at the beginning of the 1990s that the concept first appeared, under an initially Italian impulse. In 1991, a law was passed by the Italian Parliament offering specific status to "social cooperatives" which then developed very impressively. These were born mainly to meet a series of needs that were not met or poorly met by public services. These new dynamics that have a social purpose were observed and analyzed in 1990 by a review called "Social Empresa".

In a second step, similar initiatives can be noted, albeit on a much smaller scale, in various other emergences of social business in Europe. Covering all the fifteen countries that then formed the European Union; this network worked for four years and gradually developed a common approach to social business (Cafaggi and Iamiceli, 2009). More recently, there has been a sharp acceleration in the UK: In 2002, the government of Tony Blair launched a "Coalition for Social Business" and created a "Social Business Unit" (SBU) to work upon knowledge improvement and above all promoting social business all around the country. In the same context, the Secretary of Commerce and Industry, who oversees the SBU, proposed a unique definition of social business and emerged as the first inventory of social businesses yes, that was carried out recently. Before presenting these conceptions of social business, it is useful to underline that this could be envisaged in a twofold meaning: on the one hand, it designates new organizations, entities formed "ex-nihilo" that we could consider as a subset of the social economy; on the other hand, it could also assign a process, a new business and development initiative that touches and reshapes older experiences in this third sector. In this sense, far from replacing the existing conceptions of the latter, the social enterprise approach presented below should rather be seen as an illumination capable of enriching the latter and highlighting certain particular dynamics within the social economy or the for-profit sectors (Terjesen et al., 2011).

However, the terms "social businessmen" (culprit), as well as "social business" and "growth" (activity) were first used in the social reform literature in the 1960s and 1970s as far as terminology is involved. They evolved in the 1980s, starting with the appearance of Western personalities, such as Rosabeth Moss Kanter, Bill Drayton, Charles Leadbeater, and Harvard University professor Daniel Bell, who helped to shape



60 (sixty) organizations worldwide with social business and growth activities (Setyanto and Santosa, 2007). Over time, the use of the term “social businesses” continues to develop and there is no unity of understanding because it is very dependent on the context. Seymour (2012) exemplifies the understanding of the leaders of developed countries today, for example that of President Obama who expressed the hope of supporting non-profit micro-organizations; Cheryl Kernot (Director of a Social business in Australia) linked her to a government-funded child care centre; while David Cameron (Chair of the British Conservative Opposition Party) uses the term to refer to big business that focuses on quality and community (Seymour, 2012).

In general, social business and development activities are divided into two categories: profit and non-profit sectors that contribute to social interests, with the main characteristics as: having a variety of activities and processes, creating sustainable social values, utilising an entrepreneurial approach, displaying innovation and change, and there is a strong push from the external environment. (Fayolle & Matlay, 2010). In the process of development, organizations engaged in the field of social businesses should not rule out profit factors. The benefits gained are intended to build the independence of funds in the context of the continuity of the vision and mission carried, namely to prioritize aspects of values and benefits for community empowerment (Saidi, 2005).

This perspective is considered better than social organizations which only depend upon individual donors or donor agencies. In this context, the term social business becomes relevant as a social business activity. Viewed from the above perspective, one example of phenomenal Muslim social businessmen in the contemporary era is Muhammad Yunus, founder and manager of the Grameen Bank who won the prestigious award at the world level, the Nobel Peace Prize in 2006, for his achievements in developing socially-oriented businesses at the same time by involving and empowering around six million poor women. For Yunus, being a social business entrepreneur is a solution to the problem of poverty, with a new perspective in understanding capitalism (Nicholls 2006). For the success of his efforts, as acknowledged in his autobiography, at that time (in 1991) the microcredit system developed by Grameen Bank had been practised in about sixty countries, (Yunus&Jolis, 2010). Since Muhammad Yunus’ social business thought provides the initial and most significant patterns for social business activities, it is deeply studied in the next

subchapter. The functioning of the main social business institution the Grameen Bank will also be analyzed in the dissertation.

Social business has long been taking root within many developing countries like as it has in Bangladesh. In Bangladesh, many people have set several examples of establishing a social business through their initiative. A typical example: an unemployed citizen is given an auto rickshaw by a person who is financially solvent with an agreement that when the person pays a particular amount a part of the payment would go to the donor of the rickshaw. In this way, an unemployed individual would become self- supporting, and the investor gets his invested money back as well. This is an easy explanation of social business. In reality, social business is very different from an organization's social business, or any charitable foundation that has the aim of social well-being. The social enterprise is based on a business model with no-loss and no dividend, it has a social purpose within its roots; social business is powered independently by either for-profit or non-profit projects (Martin and Osberg, 2007). Though the objective of both enterprises would be similar, the models on which they are based or upon which they are structured, would differ significantly. (Desai, 2015).

Resources and skills represent the static configuration of the company which enables the accumulation and development of crucial resources that contribute to value, as well as the tacit dimensions of the organization, such as community, which helps to organize events (George & Bock, 2011). To this, there is common agreement that resource limitations are a distinctive characteristic of the small business context (Dees, 1998a; Peredo and Mclean, 2006). A social entrepreneur works in extremely unpredictable and non-traditional conditions and is unable to anticipate or determine the importance of the capacity of capital for developing new ways of doing things before they are actually doing them. Besides, social entrepreneurs often experience an imbalance in the resource structure that manifests itself in the limited availability of both physical as well as financial resources, which is addressed through reference to the three other types of resources: relational, institutional and cultural (Dacin et al., 2010). This has implications for others. Firstly, it defines social business capital strategies as an important part of the company's business model. There, social organizations seek to define their resource requirements and then develop creative resource solutions which are then implemented into the business model in its early stages to ensure that scarce resources are made available in a sustainable manner (Mair and Schoen, 2005; 2007).

Associations of the social with the business world are engaged through a certain number of partnerships amongst the larger companies as well as a social business on the basis of shared interest, making it easier for them to build up their funds. For example, this could be the case of the Logins social *joint venture* which was launched in the year 2011 and is a combination which combines the know-how of Ares (Association for economic reintegration and social investment). In terms of integration and that of Norbert Dentressangle, a major European logistics and transportation company. Its vocation is to train disabled people with few or no employment opportunities, on an integration path through the logistics professions, before referring them to a position within the organization. The aim of this structure combined with the mixed-status integrated company and adapted business is strong: reach eighty employees within three years with a sustainable employment exit rate of over 70%. As indicated by Thibaut Guilluy, CEO of Ares: “we know how to remove the brakes that make them fragile vis-à-vis employment. The company brings its competence level to the job. To be more efficient, we set up projects together. It is done by decompartmentalization fields and strengthening collaborations between various actors that social business could deploy their responses” (Chalmers & Balan-Vnuk, 2012).

The social business is of crucial importance in responding to economic, social and environmental challenges, stimulating social inclusion and growth; they aim to benefit and promote the general interests of communities. The role played by the social economy and social business in job creation is also widely recognized (OECD, 1999; Noya and Clarence, 2007). Its importance can be gauged from a global analysis that has revealed that the number of employees in the social-economic sector experienced a growth from 11 million in 2002-2003 to reach more than 14 million in 2009-2010, which corresponds respectively to 6% and 6.5% of the total salaried workforce of the EU-27 (Ciriec, 2012). Social businesses are important not only for their job creation potential but also as key players in the fight against social isolation, the growth of local social capital and enhancing political participation, delivering quality social services and fostering more sustainable economic growth. Supporting the creation and growth of social enterprises would make it more productive for public policymakers to meet employment and other social and economic problems than if they rely solely on the public or private sector, and thereby maximize public expenditure. This is the case if the government and the social economy's stakeholders, in particular social business, jointly create public policies in support of the social industry (Mendell, 2010).

However, some reports indicate that social sector profits are rising when they are sufficiently financed by public policies. For example, a report by Askoha/McKinsey & Company (2012) examined the financial and social effect of ten French social businesses operating in different sectors and studied their performance against a number of goals, including job creation for the most vulnerable, social housing construction and care for the elderly. The study found that public money spent on supporting job creation or the provision of goods and services by social business produced better results than if resources were used in another way. Additionally, it is important to observe the social and economic return on investment, in the short, medium and long terms. The study assesses the spin-offs, for governments, of public resources invested in social business and development projects, based, on the one hand, on the direct savings resulting from the reduction of social benefits and expenses, and on the other hand, on future income generated by social businesses (for example in terms of taxes and direct income). The study concludes that support for social businessmen is a systematically profitable policy which also meets needs which the traditional market cannot meet (Moyon and Lecocq, 2014). That is why, while choosing the models of social business for further analysis, the author of the dissertation searched for a model in which the role of the government was emphasized. The results of this part of the study are presented in the chapter devoted to the analysis of social business models.

### **1.1 Mohammad Yunus' Social Business Thought**

Yunus returned from the USA to Bangladesh in 1972 and became an economics professor. He had no desire to become a banker. The Bangladeshi economy was substantially weakened by its war of independence and the depression that soon followed. He just tried to be supportive. He formed a partnership with farms and landlords in the village of Jobra, to grow rice more efficiently. The output was strong at the end of the season but he knew the villagers had cheated him of his share of the profits. One day he gave some small amounts of money to forty-two poor farmers, less than twenty-seven dollars in total. To his satisfaction, he lent them money and they returned the money to him by instalment.

Gradually, in 1983, the Bangladesh government approved it's the institution, now known as Grameen (village) bank as an independent organization after years of bargaining with questionable bankers and reticent government officials. Yunus

was able to slowly extend his bank across all rural Bangladesh. It had 86 branches and 58,000 borrowers when the Grameen Bank became an independent organization in 1983; by 2014 there were 2,800 branches and over 8 million borrowers, mostly poor women. Yunus has understood how to obtain the capital required to fund this level of expansion. Yunus raised more than \$35 million from international aid organizations during the 1980s and up until 1995 to help his bank get bigger and strive for self-sufficiency. After 1995, the Bank could survive without grants or outside assistance. When he began, just two percent of Bangladesh's bank borrowers were women. Yunus has succeeded in attracting women to the Bank so that by 2014, 98 percent of borrowers are women. Yunus promoted cultural and social change, as well as systemic reform. His ultimate aim was always the elimination or reduction of poverty but when cultural factors (have I understood this correctly?) stood in the way, he was prepared to respect cultural traditions. The Three Zeros of the new economics as per Yunus are zero poverty, zero unemployment, and zero net carbon emissions.

According to Muhammad Yunus, the founder of the social business concept, social business is a financially viable entity created only to solve social problems (Yunus, 2009). Similar to those of traditional profit-maximizing businesses. Simultaneously, when attempting to accomplish their social goals, SBs must reclaim all their expenditures to remain self-sustaining. Their proprietors have no intention of profiting from them; however, they are authorized to a return of their investments if they so choose. Surpluses provided by SBs are re-invested in the companies, resulting in increased demand in the delivery of commodities and services. Indeed, SBs are a unique mix of conventional for-profit and non-profit organizations. As stated by Nishith Desai, 2015, SBs have emerged as a viable option for filling the void left by two factors: 1) despite high growth of GDP, the pace of human development is exceptionally slow; and 2) the government's contribution in offering basic public, social, and economic facilities to its rather disadvantaged people is insufficient.

Social business is more than just a business concept; their key goals are to include all stakeholders and offer long-term growth and/or expansion options founded on comprehensive and principled business. In 1999, Economist Amartya Sen stated, "It is a choice to empower people, grant them agency, and make them less dependent on externalities that are beyond their control; such empowerment offers capability and independence to those less fortunate people to choose their development path; social business can be a choice for the underprivileged.

There are two forms of SBs, as said by Muhammad Yunus i.e., a “non-profit”, a non-dividend organization dedicated to addressing social issues and held by stakeholders who invest all earnings into growing and developing the organizations. On the other hand, a “for-profit” company is held by the poor public, either directly or by means of a trust dedicated to a fixed social basis. In a developing country like Bangladesh, SBs have been long traditions. However, the practice did not exist as a paradigm until Muhammad Yunus clarified it. Bangladeshi people have established various instances of people starting SBs on their initiatives. For example, jobless persons may be given a rickshaw (a typical three-wheeled human-pulled mode of transportation) by a monetarily bankrupt individual for about US \$130 provided that if the individual earns Bangladeshi Taka 500/day from the rickshaw, the contributor would be paid Bangladeshi Taka 100/day. The rickshaw driver would become the proprietor of this rickshaw once he has disbursed the full sum of ten thousand Taka. A jobless person then becomes self-supporting due to this process, and the financier reclaims his money.

For example, Professor Yunus first loaned money to deprived women in a village in Chittagong, Bangladesh Chittagong district, on an experimental basis. Since then, the loaning mechanism has developed into Grameen Bank, a massive microfinancing establishment. To comprehend the intrinsic features of SBs, Muhammad Yunus outlined the following seven principles:

1. The most significant goal of social business is to reduce poverty and address other social and economic issues that affect the entire community. The concept assumes that the issues could be solved or minimized through a business model.
2. The firm's primary goal would never be to maximize profits to the detriment of social goals.
3. An social business should realize monetary and economic sustainability such that it is not reliant on continuous aid or donations.
4. Financiers would be able to reclaim their money; however, they would not be eligible to receive a share of profits. The profits would be entirely re-financed in the project's development or for some other social concerns.
5. A social business company should be environmentally friendly.
6. Employees would be offered a fair pay plan and better working conditions than their rivals.

7. As it has an intent, a clarity of purpose, and an altruistic ethos, social business would be implemented and run with a content and motivated workforce.

Muhammad Yunus (2008) went on to say that social business competes in a similar market as for-profit businesses. They compete with them, attempting to build and provide improved consumer service, and attempting to take market share from them, just like other companies. If social business offers similar products or services as profit-making enterprises, customers would choose between the two if there is no discernible variance in products or services' quality. Prices, quality, convenience, accessibility, brand image, and all other features of customer preference standards would be considered. Relatively, the social profits generated by social business would be an additional incentive for certain customers to purchase from social business companies, much as particular customers at present tend to patronize products with a reputé for being worker- and environment-friendly, or socially conscientious. Further, Professor Yunus pointed out that social business should vie with each other in a healthy environment. If some SBs operate in similar sectors or market segments, clients would be able to choose which one they prefer.

Yunus described this situation in his post-mortem of the historical events that occurred in his country in 1974, as well as the economic thinking that prevailed in government bodies (Muhammad Yunus & Jolis, 2014). In terms of income and livelihood, two-thirds of Bangladeshis work in the agricultural sector, but more than three-quarters of Bangladesh's export earnings come from the garment industry. This industry began to attract foreign investors in the 1980s because of low labour costs and low foreign exchange rates. In 2002, the export value of the garment industry was \$ 5 billion. This industry employs around three million people, 90% of whom are women. Foreign currency is also obtained by remittances from Bangladeshis living and working abroad.

Bangladesh is the seventh fastest-growing economy in the world in the first quarter of 2019, with GDP growth at 7.3% per year, according to the World Bank (2019), but faces the most significant obstacles to development, namely poor governance and weak community institutions. But Bangladesh's per capita income has doubled since 1975 and the poverty rate has dropped 20% since the early 1990s. In December 2005, the Bangladesh central bank launched the development of the country's income of around 6.5%. The sharp increase in foreign investment was due to

the entry of several multinational companies, which are the main contributors to investment, with the priority of investment in the natural gas sector.

Another important contribution to economic development is the launching of micro-credit by Muhammad Yunus through Grameen Bank. From the late 1990s, Grameen Bank had 2.3 million members, along with 2.5 million members of other similar organizations. This was recognized by the World Bank in its July 2019 Report as an important factor in improving the country and enabling it to make rapid progress in human development by focusing on eradicating illiteracy, promoting gender equality in schools, and reducing population growth.

As explained by Yunus (2017), the effect of micro-credit in empowering a large number of individuals to lift themselves out of destitution served to expose the inadequacies of a conventional banking framework that denied its administrations to the individuals who required them most and who were among the world's least fortunate individuals. This is only one of many interrelated issues endured by poor people: namely, the need for institutional administrations, absence of clean drinking water and sterile offices, absence of human services, inadequate education, and unacceptable lodgings. Furthermore, these issues are not confined to the Bangladesh scenario. In his worldwide ventures, Yunus discovered that low-pay individuals in the world's wealthiest countries were experiencing many similar issues. He presented the article in Bloomberg that entitled, "How Mississippi Is Worse off than Bangladesh" (Fox 2017) in which Nobel laureate and economist Sir Angus Deaton remarked on global income inequality, "Part of it is you throw up your hands and say poverty is very complicated and you cannot make these international comparisons! But if you had to choose between living in a poor village in India and living in the Mississippi Delta or a suburb of Milwaukee in a trailer park, I am not sure who would have the better life" (Lowrey, 2017).

As explained by Yunus (2017), the imbalance has been a hot subject in legislative issues for a long time. Numerous political and social developments and many ambitious activities have been put forward of late that endeavour to address this issue. This pattern has proceeded and even quickened despite the beneficial outcomes of national and worldwide improvement programs, salary redistribution programs, and other endeavors to ease the issues of low-pay individuals. Micro-credit and different projects have helped many lifts themselves out of need, and yet the wealthiest have continued to own an increasing portion of the world's riches. The pattern toward ever-



expanding riches is risky because it undermines human progress, social union, human rights, and the vote-based system. A world wherein riches are gathered in a few pairs of hands is likewise a world in which political influence is constrained by the few and utilized by them for their advantage. As concentrations of wealth exist within nations, likewise concentrations of wealth are unevenly spread between nations. So even as millions of poor individuals work to lift themselves out of need, the main part of the world's richest is concentrated in only about six nations (Yunus, 2017).

As the wealth deficit and the influence deficit develop, doubt, disdain, and outrage unavoidably extend, pushing the world toward social change and improving the probability of armed clashes among countries. Oxfam is a worldwide confederation of eighteen not-for-profit associations that are cantered around the alleviation of worldwide poverty. Specialists at Oxfam have been considering the issue of expanding wealth concentration. The information they have revealed is really sickening. In 2010, Oxfam detailed that the world's richest 388 individuals owned more wealth than the base poorest half of the world's population – a group that incorporated an estimated 3.3 billion people. At that point, this was considered a matter of serious concern, and was seen as such around the globe. Yet, in the years since then, the concentration of wealth has accelerated. In January 2017, Oxfam reported that the ultra-privileged group that owns wealth surpassing that of the base portion of total world population has contracted to only eight individuals – even as the number of individuals in the base half has risen to about 3.6 billion. The eight are notable, highly regarded individuals – American business pioneers like Bill Gates, Warren Buffett, and Jeff Bezos, with one or two from elsewhere, for example, Amancio Ortega of Spain and Carlos Slim Helú of Mexico (Yunus, 2017).

Centred on the Bangladesh situation, Yunus conceived the idea of social business. This was peculiar since the social business was founded on certain values, unlike other ideas or businesses that served the community for the sake of the name. Like in every other theory, the seven social business principles describe the intent of small business and its ultimate goals. For any company or entity who wishes to move into the market, they outline the target areas, and also describe how the financial aspects should be handled.

Muhammad Yunus established the above-mentioned seven principles in partnership with Hans Reitz who is also the co-founder of the Grameen Creative Lab. These concepts are very basic and easy to obey. They are significant since they

distinguish social enterprise from other activities carried out in the name of contributing to social welfare. Yunus (Yunus et al., 2010) introduced a new business paradigm called the “Global Business System” to enable the worsening world situation to tackle the problems facing mankind and the whole earth itself. The theoretical frameworks in this business model based on the experience of Grameen Bank, founded in 1976, which was the first mover in the creation of micro-finance, and established more than 30 companies that solved a social and/or financial cause. The emergence of the social business model represents the usual cycle of business model growth, driven by the creation of new demand for consumers, network value-keeping and new ways to extract wealth through profit plus environmental and social benefits. The basic guiding principle is: human beings are truthful, and their motive is not extrinsic rewards but work itself. Public enterprise works on various financial scales which are not influenced by specific economic cycles. The proof for this is Grameen America's case of sustainability. Grameen America had an almost 100 percent loan repayment rate even in the financial crisis of 2008-09 (Nichols, 2009).

This perspective is considered better than social organizations which only depend upon individual donors or donor agencies. In this context, the term social business becomes relevant as a social business activity. For Yunus, being a social business entrepreneur is a solution to the problem of poverty, with a new perspective in understanding capitalism (Nicholls, 2006). For the success of his efforts, as acknowledged in his autobiography, at that time (in 1991) the micro-credit system developed by Grameen Bank had been practiced in about sixty countries (Yunus & Jolis, 2010).

Based on three of the five lessons to be learned from Grameen's experience, innovation is similar to traditional business models including questioning the status quo, finding compatible people, and conducting testing to learn about the new business model. Nonetheless, the remaining two lessons demonstrated a particular social business model. The first lesson is that it is important to figure out shareholders who favour social business and are motivated by the challenges faced by society and concerned about the companies that exploit the planet to increase their own profits. The second lesson informs that it is particularly important to identify clearly and early sufficient goals related to social gains rather than normal profits so that shareholders and all other stakeholders have the correct understanding of the financial benefits of the company (Yunus et al., 2010).

There are three essential skills required for a social businessman to be successful:

- Firstly, they need protection from the prejudice of the organization. According to the theory of organization (Eisenhardt, 1989), managers maximize their advantages to the detriment of shareholders. Moreover, within a social company, the businessman is motivated by a greater interest in social and environmental values, rather than just benefit.
- Secondly, behavioural honesty is important if the higher objective of environmental and social advantage is to be achieved effectively. Behavioural honesty is the interpretation of health between ideal values and values observed (Simons, 1999). The difficulty of maintaining behavioural honesty is one of the main reasons that many successful strategies fail.
- Thirdly, corporate flexibility directs social business people to achieve higher goals.

There are two sorts of social sectors according to Muhammad Yunus. One is a non-loss, non-dividend business, committed to addressing social problems and purchased by investors utilizing all the profits to develop and expand the business. The second form is a profit-making company owned by poor people, either directly or through a trust committed to a particular social purpose. It is another type of social business, provided that profits that come to poor people reduce poverty or solve some social problem.

Within developing nations like Bangladesh, social business has long been deeply ingrained. Yet before this was clarified by Muhammad Yunus the custom did not exist as a pattern. In Bangladesh, people use their initiative to set various examples of creating a social business. For example, from the time when Yunus first lent money to the poor women in Jobra village, in Bangladesh's Chittagong district, the lending cycle has over time moved towards the giant micro-finance institution, Grameen Bank. Muhammad Yunus, (2008) added that social business works with profit-making businesses in the same marketplace. They compete with them, try to build and deliver better value for the consumer, and seek to take market share from them, just like other firms. If a business provides the same product or service that other profit-making business often offers, customers could decide where to shop if they see no difference in the quality of the product or the service.

They must take into consideration the price, quality, convenience, availability, brand identity, and all other parameters of consumer choice. For some customers, the social benefits generated by social enterprise would be an additional incentive to purchase from a social enterprise company, much as some customers tend to patronize companies today with a reputation for being employee-friendly, environmentally aware or socially responsible. Yunus also added that social businesses should compete with each other, too. If two or more small social business companies operate in the same sector, or the same market segment, customers would have the discretion to prefer one

Joint venture social businesses have also been established. This is the case with Grameen Danone (Yunus, 2010), a joint venture formed between the two companies to reduce poverty. The second example is quite different, they are companies that traditionally seek to maximize profit, but are owned by either disadvantaged or poor people. Indeed, the second business model is based on very dissimilar fundamental rules than a traditional bank. First, Grameen Bank's value proposal is to provide small loans to revenue-generating enterprises for raising the needy out of poverty. The loans bear interest rates. The manager and ~~his~~ staff undertake visits to villages to become acquainted with the native environment, ascertain potential clients, and describe the bank's objectives, operations, and kinds of operations to the local people. The reimbursement amount on loans was 98.4%, due to Bank's support, peer pressure, and self- respect, as well as the debtors' encouragement. More than 7.5 million poor citizens, 97% of them comprising women, receive loans from the Bank.

In support of this new concept, Yunus first recalls the history of Grameen Bank and the micro-credit revolution. In the face of the raging debates on the analysis of the socio-economic impacts of this new form of financial innovation, it could not fail to provoke widespread discussion. For example, the case over delivery with the banking sector, the case of "self-help groups" (SHG) refinanced by the Public Development Bank in India (NABARD) is mentioned. Many controversies, especially in terms of empowerment, were related to women. Faced with certain recent trends, as illustrated by the capital gain generated by the market capitalization of a micro-credit institution in Mexico, Yunus is careful to differentiate micro-credit programs focused on the alleviation of poverty and those maximizing profit which are supposed to widen

financial inclusion of the intermediate categories located between the poor and the unbanked populations (often less than 30 to 40% in most of the emerging or least developed countries) (Yunus et al. 2015).

The first is that social business and technology approaches aim to work through permanent, systemic progress toward addressing the root cause and not the symptoms of a social problem (Muller, 2012). A concept of social value as such is measured in terms of its ability to bring about the necessary social change, which in turn results from the accuracy and effectiveness of the suggested solution (Muller, 2012).

In considering the concept of social-business, Yunus has strongly criticised the failure of multilateral (and bilateral) institutions focused on the disbursement of their loans and their quest for growth at all costs as a supplement to social and economic development. The notion of socially responsible enterprise and the essential contradiction between social missions and high profits, does not seem to be up to the challenge either, which presents a justification for the new approach of social business calling largely on multinationals and large, highly developed Anglo-Saxon foundations. In all cases, and in its different dimensions and different geographic scales from local to global, the proposal of social business and its impacts cannot escape the analysis of the winners and losers they engender (Reuver, Bouwman and MacInnes, 2009).

In addition to this Yunus (2010) also states that social businesses may also compete with one another. When two or more companies are operating within the same industry or similar market segments, it would be at the discretion of the consumers as to which one would be favoured. Yunus believed that every human being had infinite ability and that all possessed marketable abilities. With that conviction, he saw a planet filled with people with the potential spirit of business development. And there is no longer a strong wall that separates businessmen (the rich) from workers (the poor). If workers have access to capital, then the world would be different from the current reality. What happens now is the result of a false ideal in the past. He was motivated to replace the false ideal with a truer one that could be realized in the future. Based on these strong beliefs, Yunus instilled the spirit of entrepreneurship in concrete actions. For him, one does not have to wait for someone else to contract to work. It must be embedded in everyone's mind that he could do his own work and become self-employed. Being a worker for others is just an alternative. Self-employment was considered more attractive and more profitable in meeting the life-needs of the poor, especially for marginalized groups (women, minority groups, and those who have

physical or social disabilities). They would be more comfortable and freer at work than working in stressful conditions under other people.

Assessing the reality of Bangladeshi people from the perspective of his own beliefs, Yunus claimed that they are poor not because they are unskilled or lazy. The proof is they have the skills to make crafts and the ability to work hard, but they do not have the wherewithal to be able to change their destiny. Definitely something is wrong, so a change within the system is needed. The choice is not to give charity, which might seem to relieve the consciences of donors and ignore responsibility for the fate of the future poor. Gifting would only perpetuate their poverty by keeping initiative from them, and would never solve the problem. Yunus's choice was to come up with an idea for the establishment of a small village-based business, with a completely new model and system he called the Grameen Bank, project (Count. 2008). Although this business is on a small scale, Yunus could utilize all of his connections and networks. He was sure that capitalist concepts, instruments and frameworks would be able to support and enhance economic activities that led to the achievement of the social mission vision. The analysis of Grameen Bank as a pattern of the social business institution, its solutions and efficiency in fighting financial exclusion, will be further developed in the dissertation.

## **1.2 Building of Social Business Models**

The social business model is widely known, though simultaneously facing extreme analysis (Klang et al, 2014). Social business models extend the company's boundaries and help conceptualize value development and capture in networks and broader environments (Zott and Amit, 2013), and link customers and content distribution to conventional value chain descriptors (Bade, 2013). Business models are seen not only as commercial practices but also as partnerships with other businesses (Chesbrough, 2010; Seelos and Mair, 2007) and Dahan et al. (2010) endorsed this in their analysis of the co-creation of business models for emerging markets through corporate-NGO collaborations and highlighted the need for cooperation between these two types of organizations. Developing research has focused on social business in developing the idea of social business models based on identifying and exploiting social improvement opportunities in the context of social business projects (Austin et al., 2006; Poon et al., 2009; Shane and Venkataraman, 2000; Yamada, 2004). When

considering value development and consumption at the level of both organizations and society (Seelos and Mair, 2005; Seelos and Mair, 2007; Seelos et al., 2011; Yunus et al., 2010), social business models are actively chasing results both for-profit and non-profit (Wilson and Post, 2013). Based on some well-known business models, such as micro-finance in developing countries, Yunus (2010) and Yunus et al. (2010) argued that the conceptual basis for a social business model varies because it cannot automatically reproduce business models for profit. In addition to the basic growth problems of the business model, social business models need to consider all stakeholders and define the expected, resulting benefit to society.

As Yunus et al. (2010) indicate, a social business model's long-term viability depends on its capacity not only to be successful but to add benefit to society as well. Specifically defining the social benefit objectives would overlap social and financial achievements and decrease future problems among stakeholders. Yunus et al. (2010) suggested four related components of social business models: the value proposition, the interest formula, the economic benefit equation and the social profit formula (p. 319) and called for further work on social business models which could enhance the understanding of them, suggesting creative ways of reconsidering traditional business and helping society. More recent work has greatly improved this first commitment to social business models.

Agafonow and Donaldson (2015) addressed Yunus' dream of minimizing the value of income and proposing a non-dividend limitation while implementing strategies to improve social business capital repayment, suggesting that this would offset social businesses budget constraints. For Battilana and Lee (2014), social businesses are an extreme case of genetic modification that simultaneously combines charity and enterprise, and because social business needs to combine several forms of organization, this causes tension at the organizational level. However, those complexities generated by the unusual nature of the social business model remain widely understood, and work by Yunus et al. (2010) may be strengthened by considering other social business models.

There is a lack of literature, considering the growing value of these new forms of business models that incorporate social and business advantages. Research literature focuses mainly on CSR from several viewpoints (McWilliams et al., 2006) or on social enterprise development problems (Sud et al., 2009; Neck et al., 2009; Peredo and McLean, 2006). On the other hand, this research aims to analyze and compare these

various types of business models (social and inclusive), by taking a more interventional approach. Since both could link business and social issues, both business models should be explored as part of the CSR strategy for the organization. Research would help companies better understand the advantages and the drawbacks of implementation of these two business models. In achieving these goals, the work starts from a historical research study of the current business models that enable businesses to create shared value. A detailed theoretical study of some organizational research studies has been performed to define characteristics that differentiate the social and sustainable business models, as well as the advantages and risks of each type.

A social business model refers to projects that use business processes, including the creation and selling of goods and/or services, to resolve a social issue. These business practices should be carried out in a way that is self-sustaining and should be used to increase the degree of progress towards personal and business targets if a certain financial gain is made (Yunus, 2008, 2010).

Developing a social business requires a change in the value proposition which is distinct from the business' conventional business model. In this regard, Yunus et al. (2010) highlights the evolution of Danone's conventional value proposition from 'high-end goods, lifestyle focus' to the new value proposition 'low price and vital nutritional need fulfilment' (Yunus et al., 2010, p. 25). The product is defined in the social business model by characteristics and costs which have to meet the needs of the low-income market. The results of the circumstance show how usually the product type offered is already present in the company inventory and is produced based on the target customer's needs. In the area of social business, the study shows that other governance structures can be designed. Yunus points out that "current companies should build businesses that pursue the social discovery of the potential of new markets while seeking to support the less wealthy segments of the population" (Yunus, 2008, p. 52). The only method able to generate more shared value is a social partnership. This model allows all partners to contribute tangible and intangible capital, to be discussed later with an overview of the benefits. The for-profit company primarily offers economic tools, management experience and technical know-how for new product development. On the other hand, the non-profit agency offers its awareness of the consumer and local needs, its network with other national organizations and partners, and distribution channels. Social businesses can build shared interest across all stages of value chain analysis. For example, Danone's business has helped create mutual interest in both the research and



development phases as well as in the processes of production, manufacturing, marketing and distribution. It also created significant customer interest. However, there are situations where value creation could be confined to research and innovation levels, or marketing and distribution phases.

Grameen Danone is regarded as the first actively founded global social activity in the world to be a global entity with a social intent but operating as a for-profit organization. Creating social business models, as mentioned earlier, depends on some of the structural trends as well as traditional development business strategy. Nevertheless, the example provided by Grameen Danone also highlights the features of this type of business model: the need to consider all participants (not just shareholders), and the requirement to consider the potential social benefits of small business. It helps us to establish the structure for the social business model so it involves not only consumers, vendors and other stakeholders but also participants who understand and support the project's social purpose. The business model and the value system must be developed in building social business models through creative links between all participants, including investors. If the aim is to create a social business, the business model must change from conventional production of financial income to generating social benefit. If only social-benefit shareholders are involved in the project, it is possible, but it makes it harder to build the business model, as it would focus not just on financial profits, but also on advantages for all stakeholders. And while personal gain is inherent in the growth of the traditional business model, social business models must identify their goals. The business model idea receives a lot of interest from scholars at the moment and seems beneficial in guiding the creation of social businesses. An in-depth analysis of social business model components in scholarly literature shows that usually three elements are isolated from the multitude of definitions: the product/service provided to consumers, the way the company is designed to provide this product and service to its customers and the value model. Some researchers focus on only a few of these elements: for example, the distribution model is based on Chesbrough and Rosenbloom, while Zott and Amit concentrate on transactions between the organization and its outside employees.

The social business model definition provides a company with a clear and consistent produces route to revenue and profit. However, as it is noted, Grameen's creation of small social enterprises in Bangladesh could not simply be directed towards reproducing conventional business models for profit. In essence, the creation of

businesses involves the production of new business models. Innovation for the business model is about creating new sources of income by discovering different combinations of value proposition/ value configuration. While the social activity theory borrows many ideas from the market system, the implementation of social initiatives may also borrow from traditional principles in business literature.

The literature indicates that the social business model supports three major strategic trends: questioning traditional wisdom; forming productive partnerships; and evolving. With the Grameen experience, the researcher reviewed these guidelines and found that they were also relevant in the development of social business models. Nevertheless, the case studies suggest that maintaining social businesses also is dependent on two needs that are distinct to the sector: the need to include socially focused investors, and the need for social gains. This style of study follows the path of investigation. Second, the researcher presents the idea of the social business model and explains how social business-building parallels innovation in the business sector. The researcher then outlines the five lessons learned from the above-noted experience in Grameen. This leads to the creation of a particular structure for social business models designed to assist managers in trying to set up companies designed to achieve a social target.

The development of social businesses by Grameen in Bangladesh could not be based simply on replicating traditional social business models for benefit. New value concepts and new value constellations had to be established to follow a positive profit formula. In practice, social business development involves creating new business models. As mentioned before, two main models of social business can be identified. The first form of social business focuses on business that only addresses social objectives. For instance, the good or service created is intended to address a particular social issue for the benefit of the disadvantaged or the target group. Grameen Danone is an example of such a business. The ShoktiDoi yoghurt produced at Bangladesh's Bogra factory is strengthened by essential nutrients deficient in the diets of Bangladeshi poor children. The company's target is to tackle malnutrition. If undernourished kids eat two cups of ShoktiDoi (energy yoghurt) a week for about 8-10 months, they can expect normal, healthy physical development. Also, the second type of social business can take on any income-generating company as long as it is managed by the poor and disadvantaged and those who could profit from the availability of unique dividends or other social benefits. The people could be provided the means to follow the prescribed

social business rules to become self-sustained, independent earners, and free from the burdens of poverty.

Grameen Bank is a hybrid of the first and second model businesses of both types, as it is operated by impoverished people and gives a financial product (soft loan with no revenue-generating leverage) previously inaccessible to poor people, especially women. The German mail-order giant Otto Group (the world's leading mail-order organization) and Grameen Foundation have created a partnership forming the Grameen Otto Textile Company for textile manufacturing.

A fund for example the Grameen Otto Trust, can maintain incomes, with the aim of enhancing the living standards of the workers, their families, and support networks. The Grameen Otto Textile Company (GOTC established in Dhaka, Bangladesh which was manufacturing export garments under socially and environmentally responsible conditions. The environmentally friendly, CO<sub>2</sub>-neutral building was equipped with the most up-to-date insulation, power-saving lighting, and advanced air-conditioning systems, paying particular attention to the use of sustainable energy. At first, it would hire between 500 and 700 workers to manufacture t-shirts, polo shirts, and sweatshirts. The Gotc group made available an investment-free loan to pay the capital expense of building and operating the plant. The loan was then to be repaid from the income of the Grameen Otto Textile Business over 10 to 15 years. Revenues would not be paid to stakeholders or investors as dividends, but would help to grow and revitalize the business, and achieve local social goals. In the first case, proceeds were intended to provide the workers with a nutritious meal, to carry out more education along with health care, and to create a day-care center for children providing pre-school classes. Furthermore, support was to be provided in the communities in the health sector, for health care facilities, and the population's education and continuing education. The initiative would then provide the impetus for the development of additional local socially and environmentally sustainable business activities.

In the case of social business, the economic model or business model describes how the enterprise develops, produces, and collects economic and social interest. The business model is defined as a synthetic representation that identifies how the main dimensions characterizing a company, the purposes, the type of production, the types of financing, the strategy, the organizational structure, governance, or relationships with other operators which combine to contribute to value creation. The business model

canvas coined by Strategyzer's Alexander Osterwalder is significant in understanding a business model in an organized, clear-cut manner. Through this canvas, people learn more about the clients they represent, the value propositions ~~are~~ available across the channels, and how the business generates revenue. The business model canvas could be utilized to comprehend individuals' or competitors' business models. The social business generates an economically viable operation that serves social needs poorly addressed by the state and private sector. According to the researchers, there are four foundations in a social business model – a sustainable economic plan, a social and/or environmental intent, minimal competitiveness, collaborative governance (Brouard, Larivet & Sakka, 2010). A business model offers a common communication channel aimed at meeting the conflicting needs of users such as researchers, decision-makers and administrators, information system designers, and external users, where each person appears to take a distinct viewpoint and seeks a somewhat specific and deeper scope of the analysis (Lambert, 2008). Although the field of social business has received more scientific attention, several questions remain unanswered, especially those aimed at explaining how social businesses can create both economic and social value (Mair & Shoen, 2005, Khassal & Debbagh, 2018).

The social business attempts to respond to the call from researchers such as Eckhardt (2013), which illustrates the need to advance taxonomic analysis and typology to relate the basic characteristics of a business model to different types of opportunities. Socially oriented companies that operate in challenging environments continue to act as a key source of business model creativity (Casadesus-Masanell & Ricart, 2010).

In the literature on the business model, social business is frequently considered to be a practical example of a genus of companies, the competitive advantage of which is greatly dependent upon those organizations which could develop simultaneously paradoxical strategies which are oriented towards pursuing contradictory yet closely associated and mutually reinforcing agendas (profitability and social mission). Managing these paradoxical approaches includes the implementation of complex business models (Smith et al., 2010) to ensure long-term sustainability. The complexity of the social business model is closely associated with three major causes. First is that social business and development companies pursue a double mission, combining economic and social objectives. To this end, their behavioural reasoning would endorse the implementation of a dual strategy in managing various approaches, and then handle social trade conflicts (Smith et al., 2010; Smith et al., 2013). The second thing is that

by leveraging social incentives, social businessmen emphasize their social objective accomplishments (Monllor, 2010). Moreover, social opportunities are typically more nuanced than business opportunities. In the beginning, social opportunities are intended to solve longer remaining problems in society such as unemployment, poverty and education. Furthermore, it is important to achieve long-term sustainability by spreading the idea of social innovation as broadly as possible to accelerate the cycle of social change and enhance social conditions (Corner & Ho, 2010 and; Muller, 2012). Thirdly, a social businessman works in difficult conditions which are a characteristic of the social sector in general (like the lack of resources, market uncertainty, lack of economic, social and institutional development, as well as limited governance) (Robinson, 2006; Muller, 2012 and Corner & Ho, 2010).

Exacerbated by the complexities and contradictions of undertaking a dual mission, social businesses are forced to establish partnerships and intense networks of collaboration, and to build versatile dynamics and adaptive capabilities that would allow them to succeed in the short term (Short et al., 2010). Researchers believe that it is important to consider an opportunity as a critical beginning point for social business to understand how a social business model functions (Austin et al., 2006; Alter, 2007; Mair and Noboa, 2003; Thompson and Doherty, 2006; Yunus et al., 2010; Bull & Ridley-Duff, 2011; Zahra et al., 2009; Mair and Shoen, 2005 and; Muller, 2012). This presents the opportunity-centred conception of George and Bock (2011) as an optic through which a social business model can be analysed and understood. Firstly, the opportunity-based approach considers the business model to be "the implementation of a particular opportunity organizational structure" (George and Bock, 2011; 102). This view coincides with the concept of social enterprise as: "the practices and processes undertaken to recognize, define and exploit opportunities to increase social capital through the creation of new enterprises or innovative management of existing organizations" (Zahra, 2009, p. 5).

Second, in the opportunity centered approach, the business model does not represent the activity in itself, but rather the resources, the flows and the values of the structure that link and connect the core activities of the company, which serve specific goals. The concept of typical social business models has enjoyed considerable interest among academic researchers since the 1990s (Zott et al, 2011). Its use is particularly widespread in businesses in the new economy. Indeed, the development of information and communication technologies offers new sources of value generation that contrast

with the classic patterns of commercial and industrial enterprises. Business models tend to answer questions such as, what are the sources of value creation for an organization? They describe how the organization creates and captures value. In entrepreneurship, the creators of innovative Startups have used this integrative concept to explain to investors the sources of income generation, especially when the service offered to customers is completely free. However, the business model concept has been extended to all business sectors. Its use is frequent in the context of business creation but also in established companies. It appears as a reading grid permitting careful analysis and improved understanding of the mechanisms of value creation. This analysis cannot be freed from a reflection on the resources available to the company or the organizational skills that it has developed by implementing its business model. This analysis must also be supplemented by questions around the vision (the strategic intention), which defines what the company intends to be in the long term. Consequently, business models are a complementary tool to strategic thinking.

### **1.3 The Particularities of Social Business Models**

The first phase of the study established four characteristics of social business models: 1) the interconnection of their social and economic benefits; 2) social value integration; 3) the importance of their social value, and 4) the development of their social value. The first feature that emerged from the study of social business models was the profound interconnection between their social and economic benefits. Although all the case firms stressed that they are applying the same business logic as traditional firms in their sectors in terms of creating a feasible product or standardizing processes and emphasizing efficient management, their relationship to economic benefits is a special feature of social business models. One trend emerging was an awareness of economic growth as an enabler of their social activities. In certain companies, this is the only reason for existence of their economic strategy. Originating from a tradition of charity, it only developed the profit-making business to support its social goals. This recognizes this as one way of raising funds to finance its operations. This is consistent with other claims, including defining benefit as a basic way of helping to meet human needs. Another trend that became clear during the study was the impact of reinforcing social and economic returns. Many organizations claim that financial prosperity and social effects run in tandem: the more financial prosperity they achieve, the more people

are trained and put in work; the more breast cancer tests are completed, the sooner cancer-proof is detected, the higher the patients' chances of survival, and the lower the health insurance system's cost of treatment. A similar reinforcing process was found in a firm specialized in ensuring ideal work placement for people with Asperger's syndrome, with social benefits generating positive economic benefits.

A second unique aspect of the social business model has been the incorporation of social awareness into the product and service offerings of a company. In particular, trends in the field of social awareness tend to separate the linked social aspect from the services of business value which are of importance to the clients. The first phenomenon found impacts businesses that produce direct social benefits in their value chain. Examples of this are the supply of weather-neutral products to private and business customers and the manufacture of customized shoes from recycled materials produced in Europe. As part of what it provides to its customers, the cosmetic and pharmaceutical industry considers the environmental and social value generated by the projects out undertakes, such as the cultivation of roses for their essence in Ethiopia and Afghanistan. The organizations have represented this social and environmental benefit as an ethical added advantage that does not have a direct effect on the skin but has a social impact on the interests of each consumer when making a purchase. Indirect factors which follow the same pattern include social business requirements and partner touch requirements. A third trend associated with this aspect is the intermediation of service delivery and the related the social benefits. In cases such as financial investment advice and job programs, the social business offered financial development services. They understand their position as putting people who want to spend money in contact with others in ethically sound ventures that need the money for a specific project.

The significance of social importance has become a third dimension of the specifics of the social business model. This dimension's first trend reflects the firms' focus on a fair and acceptable price for their products and service offerings. Since a public body controlled all the resources of production, no fair prices could be achieved for commodities. The companies claim that there is no single price component specifically intended to increase revenue and that their products have never been sold. They had the right to pay for what it takes to attain the quality of the product and acceptable working conditions. Establishing and sustaining relationships with their partners is dependent on their contributions being reimbursed. Also, the strong focus these social businesses have put on resource efficiency appeared as the third element in

this dimension. This aspect includes all their behaviour and focuses wherever possible on utilizing local partners. A strong emphasis was placed on a high degree of accountability. For example, a textile manufacturer with a strong focus on fair labour standards and sustainable materials explains that its consumers have the option of following a t-shirt's entire supply chain, ranging from raw cotton wool to spinning mills, sewing mills, and dyeing mills, allowing for emotional communication with local farmers. Similarly, the company described itself as a virtuous bank customer who could achieve its business. Business is committed to continuous accountability about what money is being used for by its investment customers.

Fourth, the researcher described the focus of businesses on the growth of the social value element as a particularity. The first focus is the value-based meeting of social business partners and customers. This means recognizing sectors that they should not represent, or investors whose interests do not sit comfortably with the focus of the social business. Additionally, social organizations are consciously seeking to collaborate with stakeholders who share the same ideals and values.

Another element of a social business's group development is the encouragement and assistance of partners. An example of this is the size-based and situation-based income model of the organizations, and the employment agency that specializes in searching for human capital from the social sector. Organizations think it is important to attract the best talent to positions with the highest impacts. This has different types in terms of pricing. Small businesses pay less than big ones, so it is by looking at each company as well as, crucially, the location. Another example is paying different interest rates for environmental and social projects, as loans for projects with lower impacts are less costly. It also includes these companies' insistence on encouraging their partners to operate financially independently: it is a requirement that the partnerships are financially secure. For example, when starting a project to manufacture shea butter in Burkina Faso, it is good to support local people to sell it to other cosmetics companies to ensure they generate income and make it independent from the organization that provided or facilitated its initial resource inputs. Social businesses allow their customers to build the most dedicated and cost-sensitive customer base that can be imagined. Explaining what they do to (potential) customers and how they do it is part of their business model. Also, they esteem the impacts of multipliers who contribute favourably because of their understanding of the social impacts of social businesses.



Similarities between creativity in the social and conventional business model highlight the absurdity of this form of innovation described as the ability to invent new strategies that alter the rules of a company's market games. It is a vital activity for organizations, as it includes analysing the processes that initially led to an outcome. In essence, this involves revisiting a collection of basic observations and approaching what Argyris and Schon (1978) have outlined as double-loop learning wherein the companies are required to reshape their basic business connections and add new ones. Grameen Bank's development provides an interesting example of how to challenge traditional wisdom: indeed, challenging the existing rules of the game was at the very heart of the founding of the bank. The Grameen Bank business model reinvented the rules of the game.

Grameen Bank's business model is unique in that it contradicts a conventional banking belief that loans cannot be given without collateral, and that 'entrepreneurship' is a rare attribute among the poor. However, the Grameen bank charges interests on the borrowers. Conventional banks have been unable to join the dual-loop learning cycle involved in introducing new comparative structures. The second step to social business model development is to leverage skills and capital through partnership-building. Also, in developing the business model, research the need to be accessible to other market participants, and to investors in other organizations. Chesbrough's ideas that called on technological ecosystem businesses to open their business strategies to partner businesses to benefit from better tools, could be applied to the poverty context. Unlike the competitive model, the cooperative model puts much of its emphasis on cooperation at the theoretical level, enabling businesses to gain access to new technologies that they would otherwise need to build individually or purchase. The primary benefit of collective agreements is the reallocation of capital and participant leveraged expertise, which in turn would contribute to the creation of a broader portfolio of resources across the network for companies. Cooperation is seen as a significant factor in the successful performance of corporate social responsibility (CSR) approaches, and the significance of long-term relationships between these stakeholders. Strategic exploration is another recommendation from the development literature of the social business model, in which it is seen as a specific method of technology procurement.

Therefore, an existing organization adopting this innovation plan is required to try and develop new ways of doing business as the improvements need to be innovative, which would test the company's traditional business approach. Most learning happens

in the classical theoretical approach by analyses and experiments in the preliminary phase of diagnosis. Nevertheless, the basic nature of the creation of business models means that simplistic market analysis or customer research is misleading and not very useful. Strategic exploration offers another alternative to the learning required and could be invaluable in solving problems where answers are difficult or where vital sources of knowledge are either non-existent or difficult to reach. The creation of a series of small trials helps reduce the risk and improve the enterprise's learning rate, allowing the value of a program to be set. Starting several small trials helps reduce the risk and improve the business's learning rate, making it easier to assess a plan's potential to succeed in the most successful way possible.

Social business models should start small with innovation in the traditional business model, be built, and roll out afterward. The necessary methods for evaluating the market and discovering new solutions could be given by corporate world experts; however, the research alone is not sufficient: only innovation would decide if new business models could work out. Scientific research does not mean insight but includes the desire (and intent) to make improvements if the direction chosen was ineffective at the first turn-out. This is similar to the idea of redirection described in Thompson's and MacMillan's (2010) article on making business models for social wealth generation on this topic. An interesting example is provided by the creation of the Veolia Grameen business model. During the first stage of operation, the factory was projected to provide nearly 25,000 people with water, and its services were to be expanded during a second phase, raising this number to about 100,000, after which other factories were intended to be built across Bangladesh. As it is being introduced, this social business model is still under development and would will need to be fine-tuned as with earlier Grameen trials.

Johnson (2010), claimed that elements of the social business model consist of few procedures and methods used in various main areas such as employee recruitment, supply chain processes. Following the (Khattak, 2010) business communication models, linking in the process involves linking workers who are directly engaged with individuals outside the company through different types of communication networks that are open to knowledge by the use of 3G mobile phones, Twitter, Instagram and internet, and unemployed men and women also in remote areas. Lewin (2010) believes that presence and intelligence are the two main features that should be present in every organization, especially in NGOs. Social business information should be accessible in

any media, such as blogs, televisions or newspapers. Organizations should provide in-depth knowledge of every particular job or position where people need NGO help.

#### **1.4 Social Business Model by Esther Duflo**

Massachusetts Institute of Technology (MIT) economist Esther Duflo was awarded the Nobel Prize in Economic Sciences in 2019 for her ground-breaking approach to reducing global poverty. Duflo's early-life work with a charity in Madagascar and volunteering in soup kitchens in her native France, motivated her to study economics and explore the root causes of poverty. With her fellow Nobel winners, MIT's Abhijit Banerjee and Harvard's Michael Kremer, Duflo demonstrates that effective policies often go against conventional wisdom and popular business models. She argues that the only way to find out what works is to intensively test solutions in the real world and she encourage companies to do the same. She has been identified along with MIT's Abhijit Banerjee and Harvard's Michael Kremer for their ground breaking solution to poverty alleviation. Her research demonstrates that robust field tests would come up against conventional wisdom and common economic models to find effective solutions. Esther Duflo is a part of the growing community of young economists who have posed questions about conventional approaches for growth. Duflo likes to work in a micro way and is concerned with the question of how people respond to new situations. This issue is especially relevant to initiatives that have impacted the vulnerable people in developed economies. In partnership with various academics and local non-governmental organizations (NGOs) and exposing these data to rigorous econometric analysis to determine the impact of this system (Duflo, 2000)

According to Esther Duflo, social business models are stories at heart that illustrate how social business operates. A strong business model answers the age-old problem from Peter Drucker: "Who is the (BOP) bottom of the pyramid? and what is the BOP people's economic value?" Duflo described three parts of the models, social business strategy, technology, and government. Before delving into the types and categories of social business models, it would be helpful to define what exactly Duflo's social business model is, and how a business model could vary from a conventional business model. Governance, policy, and technology are the three core components of the social business model. The researcher chose the models because social business requires economic power, the government needs to continue the work the social

business has chosen, technological transition, the legal climate, the suppliers and business partners, and the list of customer requirements.

The bulk of operations taken out by small businesses are focused on the allocation of resources. Technologically-intensive brand creation is not popular among social businesses. And it is difficult to incorporate balancing techniques. The number of large, not-for-profit organizations could be taken as evidence of this. Although more than 200,000 un-profit organizations have been founded in the US since 1970, only 144 of these un-profit organizations have generated annual revenue of more than \$50 million (Foster and Fine 2007). Focusing on small-tech and staff-intensive facilities often show how difficult it is to achieve increases in productivity. Increases in productivity are generated by increased resources or additional equipment per employee, new technologies, enhanced employee experience, strengthened management and scale impacts. Social businesses are typically not as focused on scaling as conventional undertakings. Some social businesses rely more on their effect increasing than on the company itself scaling up (Heinecke and Mayer 2012). Business models have come under ever greater pressure for creativity. Digitalization, automation, emerging technical innovations and political challenges have contributed to the business model's need to think about technology. And this can be seen as a result of changes in the business environment (Demil and Lecocq 2010).

Duflo's social business model poses a challenge to various valued assumptions that serve as the foundation for many growth policies. An example is a study done in a major schools-building project in Indonesia. Duflo disclosed that workers trained in the new schools received higher wages, whereas salaries of older employees in the same district grew slowly, mainly because the labour market was overburdened with graduate students from the newly formed schools and capital formation was unable to keep pace with this increase in human capital (Duflo, 2000). Examining real people in the real-world has formed the basis for Duflo's contribution to the social business model as she believes there is much more to know about human actions. The economics underwent significant change in the preceding decade, according to the model. It is generally accepted that the homo economics model – internally consistent, logical, forward-looking and auto-interested agents of proto-classical economics is particularly helpful in evaluating economic behaviour. The model also demonstrates that it is very important for economic experts to pay close attention to other factors that impact on

people's decision-making, such as lack of knowledge and information processing issues (Breierova, Lucia and Duflo, 2003).

Fact the concerning low-income countries is the distribution of the workforce of the organization. Past research has found a high number of very small businesses and the scarcity of medium and large busses compared with more industrialized countries (Hsieh & Olken, 2014). Binding credit restrictions that limit the growth of companies are one reason for this trend. Conversely, although running a small business could increase household income, many businessmen may be reluctant to grow their company or are unable to cover the costs. Across such an environment the effects of increased credit availability would be strictly heterogeneous. Those who are happy with a small business could channel some of the cheaper newly accessible capital into their company or start a new business, however, their target size is limited and thus the impact on sales and profit would be low. By contrast, those they are called gung-ho businessmen GEs) have a small target market range and would, therefore, take full advantage of the increased savings, and would have a high impact on sales and revenue. In particular, the model has two provable assumptions: The first is that access to finance would have a much greater effect on the performance of GE's companies than on REs. Second, whereas the GEs may bring all of the extra credit into their business and maybe use it to borrow even more from others, some or all of it would be used by the REs to pay off their other debts, so that their overall non-micro-credit lending may fall.

Low-income countries utilise a basic economic intuition to classify the GEs. Without micro-finance, rates of interest in developing nations faced by small businesses are high. And a significant fraction of those still interested in starting a company is likely to be GEs. By comparison, those who only start a business when there is micro-finance would continue to be REs. The findings on the average effect indicate that access to micro-credit appears to have a moderate average effect six years after the first exposure of the care communities to micro-credit (and four years after access to micro-credit in the control neighbourhoods). As it was noted by Banerjee (Banerjee et al. 2015a), the access to micro-finance encourages business growth: there are more companies in recovery areas and there are greater stocks of business assets and long-term investments, and there are business salary bills.

However, most of the business impacts are powered almost entirely by the GEs, those who had a company before micro-finance was available, in keeping with the simple account of competition. Such businesses are also significantly higher in recovery

areas, cash levels, profits, self-employment hours, business costs, and revenue. The numbers are significant: hours of self-employment rise by nearly 20%, stock and business asset flow rise by 35-40%, business investment rises by 80%, and revenues more than double, relative to the REs. The positive and important effects on the top textile income of the GEs have been noted, as well as increasingly strong effects on per capita consumption, for most of the upper half of the same group. For the REs, too, household durables continue to grow. By comparison, for most people (the REs), almost all the impacts are insignificant or low in significance, which in the case of business outcomes is primarily motivated by the fact that not many individuals start a business after 2006, either in recovery areas or in operation, and the companies that start this population remain small worldwide. The fact that the GEs companies were the first to expand their informal lending in intervention areas is consistent with yet another convincing fact.

Therefore, one should not pay attention to the fact that in an explanatory reasoning scheme, treatment households are more likely to include members of their former borrowing groups from micro finance institute (MFIs) than supervision households. More individuals from their previous micro-credit communities are now known as representatives of their networks by only the GE populations, although these effects are spread across non-financial links. Governance, policy, and technology are among the three components of the social business model. It also involves the economic forces, the social environment for proceeding the work chosen by the organization, the technological change, the regulatory framework, the business suppliers and partners and the list of customer requirements. From the above example description, it is clear that the concept of business model should have the factors mentioned above. Market demand implies individual needs in different village areas, especially in the women's sector (Duflo, 2012).

According to the author of the research, Esther Duflo's social business model includes all the essential elements for the concept of efficient implementation. That is why this model is used by the author as a model and will be the subject of in-depth analysis in the last chapter. The emphasis will be put especially on one element of the Duflo's triangle: the governance.

Figure:1, Social Business model



(Source: Esther Duflo, 2012, p28)

Duflo combines the three components of governance, technology and strategy in the social business model. The main purpose and aim of this model are to illustrate the fact that a social business model is only effective if these three components work in unison. Banerjee and Duflo studied different businesses in both developed and less developed countries and concluded that that some people and businesses in the less developed countries do not take advantage of the best available technologies. Furthermore, there are a lot of government policy failures and market imperfections in less developed countries that prevent the implementation of a successful social business model. According to Banerjee and Duflo there is a major disparity in the implementation of an effective social business model between developed and developing markets. In developing countries poor business strategies, bad governance and lack in use of latest technology causes poor social business performance. The key governance strategy according to this model is to understand the root cause of poverty and ultimately reducing poverty by using the previously wasted resources as potential solutions. According to Duflo if the resources in developing markets are allocated in the conducive environment the economy of the region will work on its external management tools. However, the case of various developing countries shows misplacement of resources which causes lowering of overall productivity and income.

Furthermore, according to Duflo diversity is also a problem in developing markets. The appreciation of diversity at a workplace is also a big issue that has limited many countries from reaching their full potential. Women in the workplace face problems like harassment, lower pay, discrimination, lack of representation in top management and lesser job opportunities as compared to their male counterparts. A

good social business model according to Duflo not only integrates latest technology, innovation, good governance and effective strategy but it also promotes diversity. All of these components have to work in tandem to ensure implementation of an effective social business model within an organization or a country to promote a culture that provides equal opportunities for everyone to reach their full potential. That is why the author of the thesis has chosen this model (among many presented in this chapter) to be a base of his considerations on the effective social business model and its implementation. The method relates to strategy building, technology acquisition, and development, as well as the governance's contribution to social business activities in Bangladesh. Social issues are the problem of every developing country like Bangladesh and they can be overcome through micro-credit financing facilities that have been exceptionally well performed by Grameen bank. Based on this rich, in-depth knowledge of how the poor see their lives, Duflo and Banerjee point to the fact that justice and politics can be improved without changing political and economic structures. It (social business) is said to have impact on three factors: namely governance, strategy and Technology provides gadgets that promote good communication can lead to poverty reduction while discouraging the abuse of the internet, child pornography, and online pornography for drug trafficking. Alternatively, the use of new technologies may reverse the criminalization of the courts and may assist in educational promotion and other relief efforts. The Duflo model comes from the concept of innovation and technology as the aim was the development of an experimental approach to the economics of development. Duflo, Banerjee, and Kremer developed a scientific framework that utilized hard data for the identification of causes of poverty and estimating the effects of different policies and then evaluate their cost-effectiveness.

Instead of following basic methods of measuring poverty, their books shed a different light on the subject of poverty. Sharing knowledge through their examples generates insights about the challenges and decisions of poor people compared to others in developing countries. Through their research, they were able to come up with strategies charities to empower the poor to make the right decisions to enhance their chances. These resources could be of great benefit to governments, policy-maker, union workers and more in making good anti- poverty plans. These positive effects could create ways to eliminate poverty. In doing so, however, for others, it is not necessary to endanger the lives of the poor. Individuals may have rights that could be granted to the author but may request additional information from the authorities.



## **Conclusion**

Even though SBs are made up of for-profit corporations, they have a huge social impact. The key rule of SBs is that all profits must be re-invested in the organizations. It is important to identify and focus on the features and characteristics of model social entrepreneurs, which are character and esteem, when assessing the creation phase of SBs. The capability to use multiple sources of data and knowledge on different matters before making a judgment, and considering some environmental aspects correlated to several issues, is an essential value of ideal social entrepreneurs. Social entrepreneurs must be socially conscious of existing financial, environmental, and political issues to make knowledgeable judgments that benefit not only their companies but also in the wider society.

Therefore, it is important to recognize that Social Business pro group owners are motivated by the challenges facing society, and it concerns companies utilizing the global planet to supplement their profits. The difficulty of maintaining integrity is one of the major reasons for many futile efforts. Business owners need to compete with each other. Ultimately, Social Business is a medium-sized industry that is one of many existing forms of capitalism. As well as this, social enterprise generates a wealth of cheap labour to serve the general needs of poorly handled state and private sectors. It is important to consider an opportunity as a valuable starting point for general business to understand how a business model works in general. The outcomes of judicial and political processes can be improved if political and economic change.

It can be concluded that SBs do not just handle money-related and natural issues but that through business and advancement can also-encourage the employment growth. Business organizations likewise need to think about the humane procedure of CSR for their store's more effective and useful social and environmental effect, and their benefit by constantly reusing the equivalent CSR program. Open businessmen, notwithstanding, challenge this assumption and harvest the benefits of partners (not just investors). This is an interesting difference to run-of-the-mill business motivated exclusively by income rather than social government assistance. The creative business's ability to combine flexibility with an ethical stance promotes independence and self-reliance. Those are likely the most critical prerequisites for creating feasible growth of income, social impact, and beneficial consequences for nature; this is called social advantage. Socialism is a necessary adjunct: of government policy-making and the expansion of education in schools and universities can be seen as social business

thinking. This might be the response for the jobless, (marginalized. Naxalites seek integration and freedom, and who are attempting to rejoin society. Governments should provide such a push that would be remembered by future generations of workers, for safeguarding their future through social business. In this way, a social organization with products, offices, customers, markets, costs, and benefits is arranged and run a lot like a standard business endeavour. It is a self-supporting business selling items and benefits and delivering profits to its financial specialists, whose essential target is to support society and benefit the economy. This differs from businesses, the greater part of which fail to recoup the full amount of their speculative investment through their incomes, and are therefore compelled to contribute some portion of their time and assets to raising profits. A group initiative at the beginning of a structured venture is totally reliant its speculators in its quest for stability and growth.

It is therefore concluded that there is a competition between the principals and the administration, and the key in the absence of management. Governments need to be pushed forward so that future generations enjoy security through social enterprise. It is important to consider the factors, and organizational factors can work at different levels. Again, social ventures can be viewed as a form of social enterprise that combines both business and objective expectations and can be distinguished from less critical elements devoted to building a strong economy, compared to development. Further, the growth process of small business projects begins with fishing networking activities with other partners and the vision of a business is encouraging to see clearly and work hard to achieve important developmental goals and successfully transfer projects to other markets.

## **Chapter II: Social Business Strategy for Fighting Social Issues**

Social issues have a profound and far-reaching impact on society. Social issues refer to any unwanted situation that can result in problems and harm to society. Social issues can cause many problems that are beyond the control of just one person. Social issues are unexpected situations that prevent people from leading an ordinary life. Social issues are multidimensional problems (Mohinuddinon, 2017).

According to Spacey, (2020) social issues are problems that affect many people within society. Social issues are common problems in society that many people strive to solve. They are often the consequence of factors extending beyond an individual's control. Social issues are problems that reduce quality of life amongst people. These include current problems and risks that represent the probability of future problems (Spacey, 2020). Social issues can therefore be said to impact large numbers of people in society. They are a collection of current-day societal issues that many individuals are working to resolve. Social issues are a source of divergent viewpoints about what constitutes ethically good or inappropriate personal or interpersonal social life decisions.

According to (Helen, 2004) social issues are not the result of an intrinsic malfunctioning of society, but the result of a process of definition in which a given condition is identified as a social issue. When a social issue becomes a public issue, government takes responsibility for dealing with it (Peter,2013). Social issues occur in the internal and external environments as opportunities and threats (Andrews, 1971). As a result of social issues, inactive social growth occurs making it very important to solve social issues. According to Ansoff (1980, p. 133), "social issues is upcoming unactive economic growth, either within or outside the organization, which is likely to have a substantial effect on the capacity of the corporation to achieve its targets". Generally, using Ansoff's (1980) concept of a business social issue, the firm faces a possible diversity of problems and reflects several factors that need to be solved in both internal and external situations. According to Mahon and Waddock's (1992) concept, social issues should occur objectively until they become social problems. In this context, there are unfulfilled social needs and social issues, both strategically and opportunistically. There are a great many social issues that can be identified across the globe.

Thirty-one social issues by Spacey, 2020

1. Unemployment and poverty
2. Population and over population
3. Air quality
4. Child welfare and Children's Rights
5. Working conditions and workplace safety
6. Refugees and Immigration
7. Consumer Protection and Corporate Accountability
8. Cost of Education
9. Criminal Justice Reform
10. Culture Change
11. Economic Development
12. Urban Development and Inflation
13. Climate Change and Environmental Justice
14. Food Quality and Food Security
15. Freedoms and Human Rights
16. Globalization & Trade
17. Government Spending
18. High Interest Lending
19. Hunger
20. Indigenous Rights
21. Information Security
22. Living Conditions
23. Minimum Wage
24. Pollution
25. Public Debt
26. Prisoners' Rights and LGBT Rights
27. Quality of Life
28. Recessions & Depressions
29. Sexism, privacy and racism
30. Healthcare and Public Safety
31. War

Ten social issues by Priyal Tale, 5 November 2021.

1. Hunger
2. Poverty
3. Climate change
4. Population
5. Pollution
6. Floods
7. Droughts
8. Heatwaves
9. Food security
10. Health

Based on the above, it is clear that a few common social issues like poverty, unemployment and over population dominate the agenda. A more recent social issue is Covid-19. More than 97 million people live in the bottom of the pyramid (BOP) area. Because these people survive on less than \$1.90 a day. Indeed, covid-19 has increased the global poverty 163 million people are now living on less than \$5.50 a day (World bank, 2021). Poorer countries are having to contend with a deeper, longer-lasting crisis that has increased global poverty and is reversing recent trends of shrinking inequality (World bank, 2021). It is not possible to quantify the effect of the pandemic on global inequality yet, but simulations suggest that an increase of just 1% in inequality would result in 32 million people living on less than \$1.90 a day in 2021. This would increase the gap between the income growth of the bottom and top 40 percent to 4 percent from 2.7 percent (World bank 2021). Those who have lost income due to the pandemic have been almost twice as likely to draw down assets or savings, leaving them less able to cope with continued or recurrent income losses. They have also been 57 percent more likely to go a full day without eating, which carries serious long-term consequences for cognitive and physical development, particularly amongst children (World bank, 2021).

Thirteen social issues in Bangladesh by Mohinuddinon, 2017

1. Unemployment
2. Overpopulation
3. Poverty
4. Crime

5. Juvenile delinquency
6. Corruption
7. Lack of nutrition
8. Beggary and vagabond
9. Dowry and women repression
10. Divorce
11. Lack of security
12. Lack of proper distribution of wealth
13. Drug addiction

Based on his table, it is clear that Bangladesh faces major issues such as unemployment, overpopulation and poverty.

Bangladesh is one of the most overpopulated countries in the world, ranking 8<sup>th</sup> overall. The current population of Bangladesh is 167.7 million (World meters, 2022). The 2020 population was 164.6 million. The population in Bangladesh is equivalent to 2.11% of the total world population. Some 39.4% of the population is urban-based (World meters, 2022). The country thus has a very difficult population issue to solve.

Table:4, Bangladesh population forecast

### Bangladesh Population Forecast

-310,080

Year	Population	Yearly % Change	Yearly Change	Migrants (net)	Median Age	Fertility Rate	Density (P/Km <sup>2</sup> )	Urban Pop %	Urban Population	Country's Share of World Pop	World Population	Bangladesh Global Rank
2020	164,689,383	1.06 %	1,686,621	-369,501	27.6	2.05	1,265	39.4 %	64,814,953	2.11 %	7,794,798,739	8
2025	172,399,078	0.92 %	1,541,939	-348,061	29.5	2.05	1,324	43.4 %	74,837,709	2.11 %	8,184,437,460	8
2030	178,993,869	0.75 %	1,318,958	-330,093	31.6	2.05	1,375	47.3 %	84,688,911	2.09 %	8,548,487,400	8
2035	184,374,127	0.59 %	1,076,052	-311,798	33.8	2.05	1,416	51.0 %	93,957,922	2.07 %	8,887,524,213	8
2040	188,416,727	0.43 %	808,520	-311,802	35.9	2.05	1,447	54.4 %	102,422,390	2.05 %	9,198,847,240	8
2045	191,142,270	0.29 %	545,109	-311,080	38.0	2.05	1,468	57.8 %	110,433,246	2.02 %	9,481,803,274	8
2050	192,567,778	0.15 %	285,102		40.0	2.05	1,479	61.2 %	117,836,927	1.98 %	9,735,033,990	9

Source: Worldometer, 2020, ([www.Worldometers.info](http://www.Worldometers.info))

One of the social issues in Bangladesh is unemployment. This issue is addressed later, in chapter 4.

Strategy is about understanding and observing the position of human action (Gerry Johnson,2007). “Human action comes to be something that is deduced or assumed from findings or insights drawn from much more macro levels of economic or sociological inquiry: strategies are theorized as somehow disembodied. At the extreme, this is exemplified in the remark of a strategy colleague” (Johnson, 2018, PP,7). Business strategy or firm strategy focuses on how to succeed in a specific sector or product-market segment. A business strategy represents the decisions and choices taken by an organization to consider and respond to situations, and to position itself to achieve a high level of success. There are many businesses strategies which explain how companies perform in their respective businesses. For example, Miles and Snow, (1978, 2003) identified three viable business strategies: prospectors, observers, and supporters, based on the firm's rate of growth concerning its products and industries. The extent to which the business wants to be a low-cost manufacturer or a single purchaser of goods classifies the company's business strategy as either cost-leadership or product differentiation (Porter1980). Focusing on organizational development (March 1991) describes business strategies as discovery or exploitation. Business strategies can be understood in terms of organizational leadership, product leadership, and consumer intimacy (Treacy and Wiersema,1995)

Miles and Snow's, (1978, 2003) concept of business strategy is useful for understanding the economic implications of strategy. Business strategy influences the financial performance of the company and its method of international market development. Strategy also influences financial reporting activities, tax planning, and third-party evaluation of the company's operational challenges (Danis, 2006). The main focus of a business strategy is to enhance or achieve business goals, and to formulate a plan for surviving in a particular industry. There is a relationship between social business strategy and business strategy. Business strategy is used in corporate literature to focus on how to survive in a particular industry or product market segment. It is also applied as a factor of differentiation in company strategies within the internal industry (Beard & Dess 1981). A business strategy reflects an organization's decisions and actions to evaluate and address situations, and place itself in the market to achieve the highest level of performance (Porter 1980). Based on business strategy, the internal and external dynamics concerning opportunities and threats can be identified (Addrews, 1991). For example, one type of business strategy is corporate social responsibility (CSR)

Social business and corporate social responsibility are connected with business strategy. The core premise of social business is to use economic operations to create social value and solve social problems. It is a cutting-edge integrative notion that encompasses a wide range of meanings. Social business activities generate self-economic value, and are a central principle that can be used to solve social issues. Social business and social CSR are nearly the same (Galbreath, 2010): Corporate social responsibility is a type of international private business self-regulation that aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically-oriented practices. Yunus, a2007, concept of CSR has had a revolutionary impact, not only on the Bangladeshi economy but on the whole world. Yunus tried to adjust new realities in the same old social and economic structure by introducing a new microfinance institute which was socially accepted and practiced. It was also recognized as a profitable corporate domain. Yunus believes that CSR does not fully overcome social issues, but simply benefits the participating organizations. CSR adopts two simple forms (Yunus, 2007). The second form, good CSR sees companies engaging in a constant search for opportunities when they do business to help others. They can, for instance, work to create green goods and activities, provide their workers with educational opportunities and health plans, and promote efforts to add consistency and fairness to government business regulation. For example, Grameen Bank carry out activities recognisable within the second category.

## **2.1 The South Asian Concept of Social Business and Social Entrepreneurship**

India has rapidly become a leader in innovation development, accelerating growth in the sector, and creating an ecosystem that supports local businesses and people with access, strategy, and funding. While it is still a small company, social enterprises are actively working to save money and measure success at the bottom of the market pyramid. About one-third are in the growth phase, with a significant increase in companies facing energy and agricultural-related solutions. IntelliSnap found that businesses are inefficient when it comes to managing customer expectations - while seeking to improve performance. Investors are not persuaded by the performance that they have seen. Nevertheless, while social enterprises are willing to take the next step, they have a chance to learn to highlight the optimistic, economic and social aspects.



However, with more dedication and effort, India could become a major hub and a world experiment.

In addition, Dasra, UnLtd India, Villgro, and IIM Ahmedabad's Centre for Creativity, Incubation, and Business are among an increasing number of Indian newcomers that have begun to expand and help local companies to open business. Since 2001, the Acumen Fund has spent 200 million dollars in India. As part of this growth, the firm opened a local office in 2006. Founded in 2009, the Omidyar Network has since spent over \$600 million in India, with a pledge to invest over \$200 million more. There are currently 15 private equity funds that finance regional success in India, from Khosla Impact Ventures and Chitungus to LGT Venture Philanthropy (Ganz et al., 2018). In Pakistan, the term 'social business' is still a relatively recent concept. With the influx of foreign companies and support organizations such as Ashoka, the world's largest network of social entrepreneurs, which arrived in Pakistan in 1997, some impacts are now noticeable Pakistan's first enterprises were founded with the assistance of international aid organizations. The Kashf Foundation (incepted in 1996) was Pakistan's first and largest small business enterprise. In addition, the Hashoo Foundation was established in 1982 to support rural businesses (Defourny and Nyssens, 2017).

Recently, the emergence of incubators and developers has been driving business intelligence services. Many of these are affiliated or hosted by academic institutions, such as The Information Development Lab, housed at Lahore University of Management Sciences (LUMS). Several are run independently by business and business leaders passionate about investing in the business. These include Nest I/O and the Pakistani Entrepreneurs Association of North America. These developments mark the initiation of a new and profitable era of business in Pakistan that could ultimately yield some positive social changes through CSR. McPherson (2017), revealed that social enterprises in Pakistan are predominantly managed by young people. The findings of the McPherson study suggest that fifty-five social enterprises in Pakistan are run by people under the age of 15 years, with 17 percent of social business leaders aged under 18 years (Defourny and Nyssens, 2017).

Dixon-Fowler, Coffey, and Fowler (2019) demonstrated that women business owners become leaders at a young age. Indeed, women business owners are more likely to be aged between 25 and 45 years, and no older than 65 years, but 9% of male respondents were 65 years old. Focusing solely on social enterprises that started in

2010, about 50% were started by 16-year-old leaders. By contrast, enterprises founded by those over 65 years of age tended to have started before 2010, and this rate then diminished. Furthermore, social enterprises in Pakistan often agree with women in large business settings. Analysis suggests that some 21% of local businesses are owned by women, and this compares with about 12% of females taking up positions in big business (Powell et al., 2019). Some 16 percent of large firms have a senior female manager in post. Since the year 2010, the proportion of businesses owned by women and men was quite uneven, and dominated by women (Powell et al., 2019).

While India and Pakistan are showing a rapid growth in social entrepreneurship, the progress of Grameen and BRAC, amongst the largest UN companies in the world in this region should not be overlooked. Producers such as Gramen Foni and Danone are quietly travelling to Bangladesh for professional answers, however, innovative ideas from other people are still slow to come. (Akemu et al., 2016).

Social enterprises could gain a broader and deeper understanding of customer behaviour, emotions, and actions if they focussed efforts on these areas. Furthermore, targeted and appropriate promotions and product development could be created (Chell et al., 2016). Employee satisfaction: Social entrepreneurship encourages workers, inside and out to become part of the discussion. Satisfied employees might develop new ideas for customer welfare services, as in the case of Grameen who included their customers, employees, and other stakeholders in discussions to come up with more innovative social welfare initiatives for fisheries and livestock. The outcome is often more productive, cohesive, inspired, innovative and encouraging teams who can create real change (Chell et al., 2016). In terms of advancement and increased efficiency, social enterprise encourages stronger collaboration and engagement, resulting in a better internal knowledge exchange and a tradition of working as a team. New ideas in this project include networking, expanding, creating, and learning. Employees at all levels of the company are expected to grow, and customers can also gain valuable knowledge and advice on service or product marketing (Gray et al., 2019).

In terms of reputation, the quality of products and services determines their appeal. Reputation also increases social mobility instead of only focussing on generating profits for owners. When motivated to help disadvantaged people, social sector companies sell with a sense of mission, then invest more capital in their operations to take ownership of their behaviour. Furthermore, social projects provide employment opportunities for the most disadvantaged. In India, for example, 70% of

social enterprises work with individuals from different social and economic backgrounds. Some 31% work with diverse groups of people, and 46% work with youth (Malik and Dudrah, 2016).

In India, for example, 57% of social enterprises were established over the course of the last five years. The average social enterprise in Bangladesh is six years old, although more than half of social enterprises surveyed in Pakistan were established after 2013. With an average of between 10 and 45 full-time jobs and a conversion cost between 15 and 50 thousand dollars, the majority are on either modest or small wages. Nonetheless, approximately 75% of social companies in all four countries expect employment growth next year, and 74% expect their profits to increase in the coming year (Wellalage et al., 2019). Orthodox companies, on the other hand, run in a multitude of ways across four continents. Creating job options for disadvantaged communities, promoting health, protecting the environment, improving community cohesion, and educating and empowering women are among the most talked-about topics within these settings. According to (Wellalage et al.2019) report, women control 25% of conventional businesses in India, but only 8.9% of large and independent enterprises are run by women. About 20% of conventional companies in Pakistan and Bangladesh represent fewer than 13 of the highest female-dominated businesses. Relief funds in South Asia increase interest in businesses under the pyramid scheme in terms of health, wellness, and technical expertise. Currently, there are 50 national direct financial business in India. There are a further 7 in Pakistan, and 9 in Bangladesh. Collectively, these raised US \$ 7,700 million in South Asia. Effective, cost-effective deficits could work at several levels in business development, via seed costs, first-stage costs, and in the form of step-by-step costs (Raju et al, 2020).

Social businesses sell with a sense of purpose, and so they put more money into their processes, and hold themselves accountable for their actions. This contrasts with simply focusing on making a profit for the owners. Moreover, social enterprises create jobs for the most vulnerable. In India, for example, 70 percent of social enterprises work with people of various social and economic backgrounds. A further 31 percent work with a variety of people, and 46 percent work with children (Malik and Dudrah, 2016).

Social businesses create jobs and increase advertising revenue. They are likely to continue to do so in all four countries. In India 57% of social enterprises were launched within the last five years. In Bangladesh, the average social business is 6 years old, while in Pakistan more than half of social enterprises started after 2013. Most are either

small salary operations with an average of between 10 and 45 full-time employees, and an average conversion rate of between \$15 and 50 thousand. That said, about 75 percent of social enterprises in all four countries expect more jobs (Wellalage et al., 2019). However, over four countries are home to a range of traditional businesses that operate in a variety of ways. Among the most talked-about of these create employment opportunities for vulnerable groups. They improve health, protect and improve solidarity within the community, and empower women.

Social entrepreneurship is a dynamic and diverse activity. For example, twenty five percent of small-scale businesses in India are dominated by women, while only 8.9 percent of large businesses and independent businesses are managed by women. In general, social enterprises are generally more likely to be in favour of female employees than large businesses. Social businesses can be set up by women and can help women overcome the barriers and prejudices they face. Social enterprises could provide insight into some of the deeper solution for women were facing (Malik and Dudrah, 2016).

Recent research in India suggests that the areas of activity that social enterprises focus on providing include education for under-served communities, and supporting job creation and skills development, particularly for the majority of people that have been laid off. Other provinces have links to the other four agricultural countries to take part in business development activities, and provide business support. Conversely, there are challenges and growth constraints that must be acknowledged. However, the principle implies that earning money is the biggest obstacle facing traditional businesses, whether the aim is profitability or creating innovative business approaches. In India, more than 50 percent of social enterprises feel that there is a shortage of qualified managers and technical staff in the social business sector. By comparison, less than 10 percent of large businesses face this problem (Wellalage et al., 2019). A study conducted by Wry and York (2017) sought to address this knowledge gap by providing information on social business organizations in these countries. In addition, the practical work that social enterprises are doing in these countries to help planners, funders, community activists, and other key players supports the business community.

## **2.2 Social Entrepreneurship in The Developed World**

In Europe, social entrepreneurship first arose as a common term for the concept of the work of corporate, social, and public organisations, as well as private enterprises

working for social, instead of profitable purposes. For example, Mulgan and Landry (1995) describe public and social service organisations as dysfunctional and unfavourable to change, while Leadbeater (1997) argues that the social welfare system is hampered by severe budgetary restrictions. Social entrepreneurship is a fast-moving environment aimed at serving the needs of society (Urban & Kujinga 2017; Arroyo-Lopez & Carcamo-Solis 2011). Social entrepreneurship involves business practices that mix private and public entrepreneurship. Private entrepreneurship is a fertile context for research and development (Peredo & McLean 2006). In the public, private and charitable sectors, social entrepreneurship is seen as an intermediate business operation (Lead, beater (1997)). Social entrepreneurship is about identifying new ways of forming and enhancing social opinions (Anderson & Jack 2002). Although there are several definitions and theories, social entrepreneurship is often defined as an activity that begins with the development of social ideas before efforts are made to seek opportunities and alternatives for sustainable social growth (Salamzadeh, Azimi & Kirby 2013; Shane 2003). The main objective of social entrepreneurship is to create social capital or solve social problems through alternative strategies. Indeed, this is the greatest difference between business and several other corporate types (Zahra et al. 2008; Alvord, Brown, & Letts 2004).

Social entrepreneurship enables alternative business models to be created in order to establish socially relevant and helpful goals. Promoting the idea of social entrepreneurship is accomplished by developing business activities aimed not only at maximizing income, but also at those business activities linked to ensuring the well-being of society as a whole (Bencheva, Stoeva, Todorova, 2018). The complexities of current market growth and socio-economic relationships involve the formation of organizational hybrid types that are versatile enough to satisfy market demand, and capable of assisting the state in the absence of sufficient resources and the freedom to perform its duties. Social entrepreneurship in this context is a term that is gaining traction in Europe. It is gradually being used to describe a wide variety of organizations seeking the accomplishment of certain social impacts. Social enterprises are, in this sense, companies of dual character, combining entrepreneurship with tangible social effects. In EU nations with diverse levels of economic growth and variation in legal systems, the development of social entrepreneurship and social enterprises, motivated by entrepreneurial motivations but focused on social objectives, is a trend which has been observed. As part of the social economy, social entrepreneurship, and social

enterprises in the EU are seldom recognised as legitimate business models with unique characteristics and features. Europe faces challenges which demand solutions combining economic and social well-being.

Several governments are committed to maintaining public obligations in the socio-economic sphere. As a consequence, fewer public funds are obtained by charities, and global social entrepreneurship is gaining prominence. The nature of social enterprise work in Europe shows that social enterprises focus on social welfare, jobs and training, the environment (including renewable technology and bio-systems), education and stable growth. The increasing number of social organizations could eventually contribute to large public spending benefits. The need for social entrepreneurship drives new thinking on terms of active social care and interactions that encourage greater consumer and provider responsiveness. Social profits are determined by the integration and employment of disadvantaged people, the commitment to social equity systems, and the creation of social capital.

In Europe, the campaign for social entrepreneurship is dynamic and diverse, and it underscores the drive for new business models that combine business growth with a social purpose to foster inclusive development. Evidence of the growing size of the social economy in Europe can also be gathered from the CIRIEC Social Economy Report (2017), which shows that more than 13,6 million people are directly employed by the social economy. This represents 6,5 percent of total EU jobs. European support has played an essential role in the process of setting up and growing social projects, particularly in the new member states through various projects. Moreover, social enterprise should support itself with a clear marketing and social purpose, and such businesses should be supported through additional resources, rather than by customers. The hybrid system could also be a real technology solution to end an over dependence on this resource alone (Defourny and Nyssens, 2017).

Conversely, there are advantages and disadvantages associated with establishing a Not-for-Profit and a for-profit hybrid organization. There are only two effective ways to form any such business model. Firstly, an updated charter must be created that allows the company leadership to adhere to the confidential external price of the company's checklist. In this way, they may even distract shareholders with further exposure and/or dividends. In other words, the company must actively lead. When a company earns well and generates profit then it is quite capable of raising the standard of living of

community members. Hence, companies that regularly invest in cash are at risk of being sued by anyone when they follow these practices (Raju et al., 2020).

A second strategy would be to acquire another type of cost-effective (i.e. philanthropic) approach, not usually available for a clean-up project. Highly philanthropic capital is cultivated and not distributed to charitable organizations. Hybrid organizations may be able to save money by trading with organizations that are being forced to increase their revenue to cooperate (Raju et al., 2020). The bottom line is that these types of services are still relatively new and are not known to everyone in terms of their value and functionality. Best of all, it means that such companies might try to make a profit out of these actions (Malik 2016). There is a middle ground to be excited about amongst these national organizations. Moreover, they find it extremely difficult to communicate with others. Therefore, an average social entrepreneur and broadcast creator could be better served by starting or joining an existing non-profit or for-profit organization.

As regards the scale of social entrepreneurship in Europe, Western European economies are characterized by the prevalence of more than five social enterprise workers (46%), while social enterprises with more than five employees account for 34% in Eastern Europe. Social entrepreneurship in Eastern Europe, on the other hand, has better growth potential (56%) compared to Western European companies (44%). At the same time, though charitable activity is not very popular in Eastern Europe, social enterprises in this area depend more on volunteers than in Western Europe (59% vs. 46%) (Bosma et al. 2015). In terms of translation into real production, growth is negligible because social entrepreneurship is context-based. According to national figures, the number of social enterprises in EU countries ranges from about 40 in Croatia to 105,000 in Germany, and from 248,000 in the UK. The European Commission (2015) tried to estimate the scale of the social entrepreneurial trend. As a result, there is some consensus that social entrepreneurship is gaining traction, and will continue to develop in Europe, including the emergence of new social enterprise forms and new legal frameworks that are highly personalized (European Commission 2015). Information on social entrepreneurship throughout the European Union has been provided.

The concept of social entrepreneurship is becoming more common in Continental Europe, although it is still less widespread than in the US. It seems increasingly convenient to speak of social entrepreneurship as a very wide range of

initiatives that reside well beyond the third sector. The concept of entrepreneurship itself could be understood in several different ways, and its correlation with a social agenda could apply to activities like various types of corporate social responsibility (CSR), socially oriented public-private partnerships, or even the implementation of business skills by the public sector. The EMES Group itself has never sought to constrain social entrepreneurship, and has instead concentrated mainly on the complexities of social entrepreneurship within the third sector.

Social enterprise practice has its roots in Victorian England (Dart, 2004; Hines, 2005). One of the greatest legacies of social companies is the workers' union. Social enterprises, particularly in Italy and Spain exist across Europe, and are the most common type of social cooperatives (Duccie et al., 2002; Mancino and Thomas, 2005). Social enterprises have a number of local economic development strategies "providing products and services that the industry or the public sector is unwilling or unable to provide, enhancing skills, employment generation creating and maintaining workspace and increasing public engagement in civil society" (Smallbone et al., 2001:5).

Similarly, attempts have been made to develop social entrepreneurship community models that explore the importance of social entrepreneurship in improving the living conditions of poor and working-class people (e.g., Cornwall). Others such as Wallace, suggest that social entrepreneurship takes place in this sector via growth in social-purpose companies that act just like any business enterprise, but return profits to a social organisation. Some of these are also seen as proactive enterprises that focus on the growth of economic wealth and jobs within the economic edges of society. They target physically, mentally, financially and educationally deprived communities. This sort of analysis, however, is specific, and in the development stages. The creation of business income initiatives for non-governmental social purposes to counter government funding cuts and to vary corporate or individual donations has led to the foundation levels of social entrepreneurship (Boschee, 1998). Some non-profits have moved towards social entrepreneurship with the intent of enhancing financial development and coordination and to improve efficiency and productivity. These businesses tend to focus on the market and their product mix and seek to increase their product capacity (Zietlow, 2001). More conceptual work than empirical analysis has been generated by social entrepreneurship. It could be said that social entrepreneurship is a multi-dimensional system consisting of the social entrepreneur's conscientious entrepreneurial drive to improve decision-making skills, take risks in social activities



and constantly focus on practice, despite contextual or moral complexities (mortetal,2003)

The capacity of social enterprises to boost the collective potential and quality of life has been recognised by governments, such as the United Kingdom government. The UK state has attempted to encourage and fund the operations of a number of social businesses. Social enterprises are a critical solution to issues of human development to a greater degree than other business types (Bennet and Iossa, 2005). There is now some understanding of how the government's public service contracts with both profit and non-profit organisations have become more common. Importantly, a major difference between the two sectors is that social gains are more associated with non-profit organisations. However, this does not inherently translate into a social effect that is more favourable than that of non-profit companies. Since many social organisations work primarily to handle societal needs (one of the key aspects of the triple bottom line), it can be claimed that close analysis is expected of the essence of their CSR strategy and practice.

Social enterprise in both traditional business and non-profit contexts incorporates social interest elements, a consumer focus, and corporate expectations of financial success at various levels (Young, 2008). If these social enterprise patterns could be analysed in greater detail, some key strategies for social activities could be established at an international level. The basic framework in which ideas are produced could be useful to understanding how such strategies might work. From the first point of view, it was mainly the reinvention of non-profit organisations (mainly associations) as providers of social services, together with the reinforcement of the interest of cooperatives in society, that laid the groundwork for convergence. This ultimately contributed to the idea of social enterprise. Compared to conventional companies, the term is used to describe a specific way of operating, and offering social services. The approach contrasts with public organisations, which involve a more entrepreneurial dimension of the non-profit sector. The latter sector brings an element of creativity to the economic system in general, the EMES European Research Framework introduced the concept of social enterprise as in Europe, leading to the development of common views on social enterprise research (Borzaga and Defourny, 2001).

A major element of the European tradition of social enterprise is the development of an institutional structure explicitly aiming to accomplish a social goal in a secure and continuous manner through the manufacture of goods or services of

personal interest. The establishment of an institutional framework deliberately designed to achieve a social aim efficiently and consistently through the production of products or services of common interest is a specific feature of the tradition of European social enterprise. The existence of a group whose members are concerned with the personal interests inherent within social enterprises means that projects can proceed beyond the involvement of leaders (Nyssens, 2006). When an established group creates a single and well-defined social purpose, they can succeed in translating this purpose into a specific institutional framework.

### 2.3 Social Business and Social Entrepreneurship: A Comparison

A business can be characterized as a profit-maximizing commercial activity with the primary purpose to maximise the shareholder's value, or as a non-profit organisation with the primary goal is to address and solve social problems in a capitalist economic system. A social business, on the other hand, is a hybrid of a profit-making and a non-profit making organisation. A social enterprise is not about charity, unlike a non-profit or a corporate social responsibility activity. The social business is linked to the concept of social entrepreneurship since it entails both innovation and resource sharing to accelerate the process of addressing social challenges or needs. In reality, social business is a subset of the broader notion of social entrepreneurship, which includes both for-profit and non-profit endeavours, in which the creation of social wealth is just as important as the creation of economic benefits (Yunus et al., 2010).

Table: 1, Differences between social business and social entrepreneurship

	Social business	Social entrepreneurship
Partner Network	Village poor people	Government and NGO
Cost Structure	Capital Costs	Material costs and worker cost

Key objectives	Seven social business principals Appropriate training for the social business	preventing unemployment
Key support	Capital resources leading to financial sustainability human resources leading to social change	The entrepreneur supports Organisational support
Offer	Micro- loans Profit reinvests	free service and goods
Customer Relationships	Personal distribution channels Branche to branches	Market intermediary Market linkage
Customer Segments	Village women	Poor entrepreneurs
Revenue Streams	Social and environmental benefit	Social benefit

Source: Author adapted table base on Yunus 2007

A partner network is important for commercial venture firms to accumulate resources and create wealth (Preston and Donaldson, 1999). A partner network is an exchange of value between two or more organization. Partner networks also collaborate, share information, and plan with other organizations (Youngkeun Choi,2018). Partner networks are formal administrative consolidations. Social business partner networks are usually set up by impoverished rural communities in the village. Social businesses share information and make plans with rural poor people. Social businesses also collaborate with rural poor people. Social business partner networks can generate social and economic value. On the other hand, social entrepreneurship partner networks involve governments and NGOs. Governments offer business permits and NGOs provide finance.

Capital is important for any company. Capital costs are defined as those which do not vary with the level of output. They are costs that do not increase and decrease

with the size of production (Alejandro agafonow,2015). Social business borrower builds up businesses independently and provide services by themselves. As such, they do not face any additional costs for aspects like service, human resource, or materials. Additionally, it is important to underline that social entrepreneurship is often funded by loans. As such, the costs are non-fixed, and interest and other costs must be paid. Social business follows social principals which must be upheld from start up. On the other, social entrepreneurship has a key objective to solve unemployment. Social businesses provide financial support to the rural women in villages. This support makes rural women financial sustainable. On the other hand, social entrepreneurship provides organizational support for small businesses, including help to find a place to do business, support for trade licenses, and help with business insurance. Social businesses are usually offered micro loans to open and to offer free services.

Customers play a significant role in business since they are the end users of products and services. Customers therefore judge the quality of products and services. Hence it is important for an organization to retain customers or attract new customers to succeed. To manage customers, organizations should engage in strategies such as segmentation or the division of customers into groups, since each customer can be considered valuable and profitable” (Prachi, Juneja 2015). Social business customers tend to be rural women, while convectional banking customers are varied. They include employees and business owners. Social businesses provide loans for poor women. Social business branches are located in villages area and customers tend to be aged around 25 to 30 years. On the other hand, social business employees visit rural women in their homes frequently to to monitor their progress in business.

## **2.4 Yunus’ Social Business Centre Initiatives in Developing and Developed Countries**

Yunus’ Social Business (YSB) could be a valuable tool, not just for addressing particular social issues, but also to address common-interest problems. Towards this purpose, the YSB designs integrated projects in collaboration with local stakeholders aimed at establishing an enabling eco-system for the advancement of a culture of social business. The YSBC implements business development plans around the world. The YSB centre in Dhaka focuses on marketing and partnerships. It supports local and

independent business enterprises, and existing businesses built around the global network. Enabling social business with the opportunity to succeed means that further funds or development plans might follow. This is a viable route to financial sustainability.

YSB supports individuals and organizations interested in becoming entrepreneurs in social business. It helps them to create innovative goods and services (Tazuddin,2020). The Centre promotes the creation of social business approaches by examining the unique social needs of each environment and society, and by observing the characteristics of the comparative markets. The international social business discussion is very wide, and is still developing. Apart from the Muhammad Yunus model, there are other examples of social entrepreneurship like Brac, the Jagorani chakra foundation in Bangladesh, ASA in the Philippines, Amul from India, and Fifteen in England.

YSB works with many universities and local areas around the world. Some 94 social business centers have been based around the world. Some social businesses have benefitted from support from Kasetsart University (Thailand), University Sains (Malaysia), SSM College of Engineering (India), Universities in Barcelona, Spain: Pompeu Fabra University, Barcelona University, Barcelona Autonomous University, Catalonia Polytechnic University, Catalonia Open University, and Catalonia International University. Others include Grameen Creative Lab in Germany, Kyushu University in Japan, California State University Channel Islands (CSUCI), and Asian University for Women (AUW), and Florence University. These universities are now part of a global network of YSBs. The Yunus centre, which focuses on poverty reduction and development, is a non-profit group of social businesses. It supports Professor Yunus' idea by designing social business courses for students as well as entrepreneurs. It serves as a forum for researchers, businesses, entrepreneurs, and government. As a result of its social business efforts, more than twenty thousand children have gained entry to high school, college, and university (Tazuddin, 2020)

YSB set up joint ventures with Euglena in Japan in 2005. The Euglena social business was established by Mitsuru Izumo. Euglena provides agriculture products and food markets. In 2014 Euglena was listed on the Tokyo stock exchange. Grameen Euglena launched as a co-venture with the Grameen Krishi foundation in Bangladesh. Euglena social business produces cookies for schoolchildren as well as mung beans. In so doing, it embellishes the incomes of some eight thousand farmers in Bangladesh

(Yunus,2006). Society and business stakeholders never think about the employment of imprisoned people. Those that are released from prison struggle to find a job. For such people, one solution is a social business called the Human Harbor Corporation (HHC) founded in 2012. HHC solves two social problems: 1) it gathers and reprocesses household and industrial waste, thereby reducing the problem of pollution and environmental damage. HH quickly became self-sustaining, reaching revenues of US\$2.4 million in 2016 and 2017 was US\$3.5 million. The company employs twenty-six people (nine of them ex-prisoners), in three locations in Fukuoka, Tokyo, and Osaka (Yunus, 2018)

Nobin Udyokta's (new entrepreneurs in Bangla) motto is "We are not job-seekers, we are job-givers." Grameen companies invest social businesses with additional funds without expecting any return on investment. They create jobs for others by continuing to develop the business and build financial stability for themselves and their families. This method of transforming the jobless into entrepreneurs is an effective way to tackle the chronic social unemployment problem that afflicts even developed countries. NU has given new inspiration to youth to go into business. This programme has encouraged young people to take up the challenge of opening a business as a form of job creation. In January 2013, the Yunus Centre in Dhaka organized the first Social Business Design Lab. Encouraged by its success, they decided to hold monthly Design Labs. These attracted business executives, NGO leaders, academics, students, subject specialists, and social activists. Sometimes participants offered to become investors in projects presented at the lab.

In April 2017, nearly sixteen thousand new entrepreneurs had their business plans approved and received advice and guidance, as well as US\$21 million in investment funding through the Social Business Design Labs. Although public Design Labs are still held monthly, many more in-house Design Labs are held to bring about one thousand business plans per month to the final approval level. By the end of 2017, the number of business plans approved for funding was set to reach two thousand per month. The YSB, in university of Florence (YSBCUF) is the first centre in Italy accredited by the Yunus centre in Dhaka. Owing to this collaboration, the centre was established in 2011. It aims to promote social business ideas, and provides strategic support to private organizations and individuals who want to set up social businesses in Italy. Florence business school provides training for Bachelor and Masters students in the areas of social business. This training is called "in search of new social business".

The trainers provide social business training through teaching and activities, and they demonstrate how social businesses work in developed and developing countries. The centre also serves as an intermediary with the Dhaka Yunus centre, and with Italian subjects who would like to contact Professor Yunus.

Another YSB centre is Glasgow Caledonian University. This social business health centre was founded in 2010, and it aims to improve the lives of the poorest by exploring and re-searching the relationship between social business and health in Glasgow. This collaboration, formed between universities around the world and the Grameen Organization, represents a powerful force for change. Such opportunities represent an exchange of ideas, collaborative learning, and research across nations. They facilitate the promotion of discoveries that could lead to positive social results. As the goals of these collaborations show, new research strategies leverage the power of existing social enterprise and funding structures to benefit those social entrepreneurs and women who are already using social business ideas in practice. Glasgow University's social business health centre works in three major areas: the health care sector, saving lives, and sustainable ecosystems. The centre focuses on health and well-being, and "GUSBHC aims to improve the lives of disadvantaged communities in the following categories: micro-finance, social business, and health Economics" (Khan & Rehman, 2007).

Glasgow University's social business health centre has undertaken systematic reviews of the health impacts of social business-led operations. It has carried out exploratory research with social businesses to hypothesize the processes by which social business participation contributes to subsequent health and wellness impacts. Glasgow University's social business health centre along with its social research council and other partners has funded research into the impact of health systems on social businesses (Yunus, 2017). Social organizations understand that peoples' income and standard of living significantly impact their health and quality of life. Despite world-class health systems in countries such as the UK, health disparities are both ongoing and growing, and there is a need to search for, and examine new solutions to this social problem. This includes participation from the third sector who must work alongside more established public and private sector stakeholders. Such partnerships have the potential to provide considerable support for world-class health systems (Recent Evolutions of Social Economy,2017)

In cooperation with research groups at the local, national, and international levels, the economic assessments of health initiatives and public health policies. Within Glasgow University, the social business health centre worked closely with the NMAHP research unit to ensure better health and safety through the infection control programme. They are therefore working closely with the health and social care partnerships in Scotland to develop scarcity management frameworks. This work is closely linked to that of the micro-finance and social business centre, as the potential role of the third sector in providing services and intervening in public health is progressively recognized. The group has a record of success in using research methods that examine and establishes strategies for evoking strong social values (Recent Evolutions of Social Economy,2017)

The centre offers programmes and resources for each person or organization that wishes to start a social business. The YSB Centre in Glasgow offers training for candidates from universities and high schools to advance a social business culture amongst new generations. The Centre also organizes sessions and activities aimed at bringing together a professional network of entrepreneurs, designers, organizations, administrators, and it encourages the development of new partnerships and projects. Glasgow University's social business centre is an open youth social business programme for local high school students. Higher education is stimulated by a series of courses that are conducted during school hours. The main objective of this programme is to distribute social business to secondary school students and to help them develop their own social business and self-economic sustainability. In addition, the environmental influences of social business are the overall purpose of the whole curriculum, with a particular emphasis on explaining the importance of social business knowledge and communication. At the end of the programme, groups of students who have developed their social business models based on the guidelines prepared during the course can compete with each other in a final competition. (Pauwels et al., 2016).

Yunus social business activities are therefore evolving quickly in developed and developing countries. One of the flagship social business activities is Grameen Shakti social business centre. Grameen Shakti, earns yearly \$ 70,000 and employs more than 12,000 people. Social business Grameen Shakti provides in excess of 1.1 million homes to the clean and Shakti operates kitchen facilities providing clean rooms for some 700,000 families. Social business Grameen Shakti also farms eight thousand bees in the



production of honey, generating new employment for rural smallholders in Bangladesh (Sultana et al., 2014).

Another Yunus social business activity is Grameen Eye Care Hospital (GECH) in Bangladesh, which was founded in 2007 to address the generality of blindness and eye conditions amongst the country's poor. The hospital offers cheap eye treatments - including eye exams and cholera treatments for rural poor people. GECH serves many rural areas and provides free eye clinics. Doctors provide free treatment for rural poor people on a regular basis. In addition, GECH estimates that some 2,500 blind patients have regained their sight through hospital operations, and the eye care hospital has generated some 239 local jobs (Tazuddin, 2020). On the other hand, 600,000 patients obtained lower cost facilities through this hospital (Tazuddin, 2020). Two more social business eye care clinics are under development in Bangladesh at the time of writing.

Yunus social businesses range from small, single-entrepreneur companies to large strategic partnerships with multinational corporations. For example, one social business started joint venture with world's biggest food company in 2006, and worked to develop a micronutrient enhanced yogurt in Bangladesh. Neither Danone nor Grameen receives profits from the corporation, and the board, management, and staff's ingenuity and resources are concentrated on social targets, without losing sight of the need to cover the company's costs and growth ambitions. In Bangladesh, Grameen lender families number more than 8 million (Yunus, 2018). To double its efficiency and generate local employment chances, Grameen Danone Foods is building a small retail outlet. This manufacturing process quickly influences prices and offers a whole new range of smaller products to the public that that Danone does in various markets.

## **2.5. Designing a Developmental Strategy for Women Empowerment and The Unemployed in Bangladesh**

Unemployment is described as the state of not having a job or being out of work. It is the proportion of people who are willing to work and actively pursue jobs, but are unable to find them. Some of the most common reasons for unemployment in Bangladesh and other developing nations are technological changes, women's labour force participation, demographic structures, economic conditions, electricity production (especially in Bangladesh), and immigration from rural areas to cities. A fall

in economic growth due to the October 2008 economic crisis is one major driver of rising unemployment levels in developed and developing countries alike. (Seyfried, 2011). In Bangladesh, unemployment is a major preoccupation. Hundreds of thousands of graduates are leaving college and university each year without jobs. The government is not able to satisfy the demand for jobs amongst the large population. Bangladesh suffers from large-scale underemployment. A large portion of the population could be eliminated, particularly in agriculture, without reducing agricultural production. Beyond agriculture, there also underrecognized unemployment in various industries, offices, and organizations, particularly in the public sector. In Bangladesh, unemployment amongst the educated youth is very high. In 2021, the unemployment rate was 5.2 %, and in 2022, the unemployment rate was 5.4 % in Bangladesh (knoema.com). This represents a 2% unemployment rate rise. The government in Bangladesh cannot provide jobs for all citizens, and that is why the 3rd sector has taken steps to solve unemployment issues. Social business is one of these steps.

Unemployment and poverty are an unsustainable aspect of society and it stalls poverty reduction. Government and other organizations have the responsibility to address unemployment. Social business could encourage vigorous economic activities, and could ultimately generate more employment opportunities to drive the state's economy forward. High levels of unemployment can hinder the growth of the domestic economy. This can be reduced by encouraging and facilitating overseas employment. There are implications for foreign exchange reserves and state economic functions. Unsustainable growth can be observed in a state social and economic sphere. To boost the economy, government has a duty to adopt more vigorous and sustainable strategies. Social business could revitalize and rebuild a failing economy. To succeed, more investment is required in every sector since all sectors ultimately need more people to go into work.

Social Business employment training programmes in areas such as driving, computer literacy, handicraft skills and sewing machine work are viable options, since these not only make domestic modern markets more profitable, but they also generate international interest, since a trained workforce can easily make an international impact. The unemployed youth in Bangladesh is another major concern for the government. By providing this demographic with support and training as well as financial assistance, they could become a great asset for organizations and the state's economic stability. This would not only be beneficial for increasing overseas employment opportunities, but

it would help government to introduce friendly and supportive public policies for infrastructure development. This could also lead to regulatory reforms to expand the potential for small businesses like dairy, livestock or poultry breeding to succeed. Agriculture could be easily enhanced to meet export requirements, whilst providing employment opportunities and increased national income (Tazuddin, 2020).

Even in the context of rapid GDP growth, job creation has been moderate. On a comparative note, on the international front, Bangladesh's pace of job creation over this period has not been dramatic. However, dealing with low staff may seem like a challenge in a low-wage nation like Bangladesh. As a result, given that few workers can afford to be unemployed, most would not be expected to respond quickly to low GDP growth. Nevertheless, the answer could come in large part from introducing limited working hours, and the type of work, which is expressed through a series of working hours and prices (Mahmud et al., 2017). In Bangladesh, unemployment could be considered a social issue. The concept of Yunus' social business as a sustainable enterprise mainly deals with issues of unemployment, poverty and social business reinvesting profits to ensure rural poor people are self-sufficient. YSBs emerged as organizations that invest in social business creation and growth to solve social issues.

Bangladesh faces a destructive cycle of high-unemployment and poverty. Like other developing countries, Bangladesh has collaborated with national and foreign donor partners and international agencies to introduce the reforms necessary to attain its development goals. As part of these changes, there has been consideration at all levels of the country's development plans for small-scale economic activities for women. Yet Bangladesh has failed to provide jobs for all educated people. Where the Bangladesh government has not been able to create employment opportunities for educated people, unemployment amongst women remains a key concern. That is why social business has taken the initiative to provide employment to the poor, uneducated rural women. On the other hand, Bangladesh's population is transcendently rustic, and about 80 percent of people live in country regions with limited or no access to jobs, schooling, or vocational education. Key amongst the underprivileged in the provincial poor area are women and children, and families are moving deeper into poverty because of the shortage of vocational educational institutions. Providing social business vocational quality education is one of the essential criteria for addressing unemployment (Bank Poverty Assessment, 2019). In order to empower rural poor

women to be self-sufficient, there is a need to focus on vocational education as well as agricultural and fisheries work.

Bangladesh has increased its real income since 1971, by more than 130%. It has cut poverty by more than half. Therefore, it remains a low-income country with much poverty, unemployment, inequality, and loss. Moreover, about one-third of the population lives below the poverty line, and poverty is much higher in rural areas. Half of all rural children are malnourished, and 14% suffer from poor health (Rahman et al., 2019). While agriculture currently accounts for less than 20% of total production, the farming sector still employs 45 percent of the workforce. As a result, the number of farmlands is shrinking as the country overflows, and many rural households are less likely to farm. Rice, wheat, jute, fruits, and vegetables are key amongst the nation's staple foods, but farmers have no opportunity to use modern agricultural technology. Consequently, Bangladesh is particularly sensitive to climate change, as two-thirds of its land area is less than 5 meters above sea level. The poorest are the hardest hit because they live in poorly built houses, and their habitat is a danger zone in extreme weather (Ali et al., 2017). Social businesses take steps to support rural women and poor farmers through agricultural training and modern agricultural technology. They provide agricultural loans and fishing training to support people. In that sense, social business empowers rural women.

Sholkamy, (2014) opines that, in general, empowerment refers to the gradual increase of the spiritual, political, social as well as economic strength of individuals and communities or societies. Empowerment is about enhancing the development of confidence in individuals' own capacities. Generally, it can be said that empowering women is a continuous process, and one through which women challenge gender bias and gender-based discrimination in all types of institutions and the structures of society (Sholkamy, 2011). Empowerment has been defined as a multi-dimensional social process, which helps people to gain control over their own lives. Tadros, (2014) argues that the rise of gender sensitivity is one of the most prominent issues of recent times. Women should be strong and aware, as well as alert if they are to be empowered (Yunus, and Weber, 2010). that the United Nations Development Programme (UNDP) focuses largely on gender equality, and the empowerment of women, not only as a basic human right, but also because they consider women to be the pathway to achieve key development goals as part of sustainable development. On the other hand, social business (Cornwall, 2014) mainly focuses on institution building, awareness rising,

training and the collective social mobilization of women. Through their global network, UNDP works to ensure that all women have a voice at all levels of the civil services. This value extends into the private sector and also through civil society. The aim is to ensure that all women get a fair chance to participate equally with men in public meetings and decision-making processes. All women must also effectively influence the major decisions which will determine the future of families as well as nations (Debdatta and Dutta, 2015). Thus, it can be concluded that the empowering of women is important, as it involves the full participation of women in economic life across all sectors. This is essential in order to build up stronger economies and to achieve sustainable development goals. Indeed, such momentum also improve the lives of women, men, families, communities, societies and nations as a whole (Duflo, 2012).

Social businesses play a vital role in empowering women and economic development. Investing in women in work has grown as an activity by 15% in East Asia and Latin America between 1971 and 1995. The rate is nowhere near as steep for men, and discrimination has been mitigated alongside this trend (World Bank 2011). In terms of facilitating economic improvements for women, Yunus' social business centre provides a volunteer service. People can join as volunteers, whether studying part time at college or attending full time at secondary school. Business stakeholders, NGO staff, government officials, retired people, and many others can also take part. Volunteers focus on inspiring rural women to change their lives through social business

According to the World Economic Forum (WEF), Bangladesh has integrated rankings of top regional director progressing in all areas of 'economic opportunity and sub-index. It also performed well in the rural and political sub-indexes of other regional countries. Rural women in Bangladesh are politically, socially and financially insecure because of current traditional cultural norms. They are also subject to multi-dimensional violence (Mahmud et al. 2017). The business activities of rural women are mainly limited to household tasks, and their autonomy outside of the home is also greatly limited due to the established cultural system (Murshid & Ball, 2018).

To support rural women in Bangladesh, social empowerment is important. The important achievement is that social business micro-credit programmes to help rural women become more motivated (Zaman, 1999; Acharya, 1994). Empowerment is defined by women's independence, economic protection, buying ability, participation in major family decisions, and ability to support their family. It is also about gaining political and legal knowledge, and participating in mass demonstrations and political

campaigns. Micro credits maximize the control of women's productive capital. Legal and political recognition and engagement in public campaigns are also affected by micro credit programmes. Micro credit providers can work with rural women who are independent by nature, and would like to keep them in work through business activities. Although many rural women in village areas have become self-sufficient through social business, much work remain ahead to address unemployment and poverty.

The main source of income of those living in Bangladesh's rural settlements comes from the agricultural sector. Another income possibility, and job-generating sector is fisheries. Around 1.3 million people are actively involved in fisheries, and 12.5 million are indirectly engaged (CIA, 2017). Social businesses play a significant role in the agricultural and fishery sectors. Nearly half of Bangladesh's population are women, and they provide the country's economy with new competitors to the labour force every day (CIA, 2008). Thus, when social business supports women via self-enterprise, the creation of new employment is the outcome. Fishing is the second largest occupation in the non-farming sector in Bangladesh, but it is estimated that only 3 percent of working women are engaged in agriculture. The role of women in agriculture involves social and financial errands, both inside and outside the family with a common aim of maintaining fish farms. Driven by crucial changes over past decades, the job market remains segregated along gender lines, and movement towards uniformity of gender identity seems to have slowed down. Increasing female work-related support would positively enable the country to break the ten-year-long development boundary of 6 percent, as higher female work-related social business cooperation could help development by moderating the effect of the contracting working population. In Bangladesh, women occupy most unpaid jobs, and women are most represented in the informal segment (Hossain, 2004).

Bangladesh used to be a highly rated developing country for agriculture. In 2017 the Food and Agriculture Organization (FAO) ranked them 5th in the world (Evaluation of FAO's Contribution to Bangladesh (2017)). The typical growth rate for fisheries and agriculture in the last 10 years has been 5.4 percent and 8.2 percent, respectively, showing some improvements in agricultural output. To maintain fishing communities, the role of women integrates socio-economic tasks within the family, both internally and externally. The labour industry has remained separate due to gender disparity, and discussions on further equality which seem to have stopped, given the substantial progress made in this industry. As a result of the significant period that fisherwomen

have been employed in this area, it remains the case that only 8 percent are in truly permanent roles, while 56% are in temporary positions, The remaining roles involve simply fishing to feed the family. The main tools for women engaged in this trade are hooks and cast networks (12%), gill networks (4%), and a line and hook (88%). There are, however, situations where women fish by hand. This method suits the conditions of falling tide drops and water levels. These tasks are fulfilled by older women who have no family chores. Most women spend an average amount of time of 5-6 hours a day fishing, and some fish for longer than 6-hours. Research suggests that 1.12 trillion kg is collected on an average day (Asian Development Bank, 2016)

The Social Business Agricultural Form (SBAF) has been investing in poor rural women and men in Bangladesh for almost 35 years. Their current efforts are aimed at enabling communities in poorer areas to adapt to their lifestyle and climate change. They were set up to help small farmers and business owners benefit from the key chains and gain greater market share and empower marginal groups, including poor rural women, both economically and socially. Besides, the (SBAF) invests in facilities that serve the most vulnerable people in Bangladesh, especially rural women. It also invests in support chains that support landless and control farmers as well as smallholder and rural farmers. Participation tools help to ensure women's literacy and accessibility. SBAF also offers a wide range of job searching services and funded projects in rural area, including partnerships with the international rice research institute (Ali et al., 2017).

Agriculture, as a growing field has shown a great contribution to the socio-economic empowerment of women, even though they are not assimilated robotically. Author of the thesis thinks that in order to bring success in agriculture, the following four points should be given importance. Mechanisms for the implementation of procedures that enable gender-equal admission and management of resources and properties. In particular, land and pond ownership usage via birth right and access to finance and collateral.

The relationship between agriculture and the rural economy, along with the fragility of crop development may hamper the development of a sustainable rural economy. Secondly, in the absence of a continuous improvement in the number of workers in the industry, there is a risk that the change process may force agricultural workers to obtain higher quality jobs. Increasing crop production depends on several factors, including technical and land management considerations. However, it also

depends on the diversification of farming into high-value-added crops in combination with low-emission activities (Mallik, 2017). To drive rural area development, there is a need to provide vocational education or technical education. Social businesses provide vocational education or technical education in rural areas.

Approximately 84 percent of their earnings supply family needs such as education and food, and the remaining funds are used to repay loans. The problem of gender inequality needs to be rectified to improve the performance of the agricultural sector in Bangladesh, which is plagued by gender inequality. Women are occupying higher, and more liberal positions in the agriculture industry and policymakers and organizations should promote and provide community-based natural resource management. This mechanism is believed to help all genders because they might recognize the importance and value of women engaged in the natural resource field. If they are active in community-level management organizations, they and their families' livelihoods would be significantly improved. To support the development of women in Bangladesh, social business vocational education is also another mechanism of development. Social business vocational education programmes have significantly helped people in Bangladesh, by, for example providing formal training to people researching various work skills. Social business vocational education programmes could become an important resource to support educational institutions in Bangladesh.

Social business vocational education environment building is driven by intrinsic factors, and this improves the self-teaching process of students. This form of education is generally compared to more conventional ways of teaching in developing countries, since it is more effective at transmitting the message. Developing countries such as Bangladesh face many challenges due to their technological limitations, along with other factors that hide the ability to learn a vocation. There are separate educational activities that could also benefit adults, such as the recovery of interactive simulations. A personal assistant approach to particular questions generates challenges and as it demands vocational skill that could pacify and change students practicing skills that are not as systematized and well put together as those in older problem-solving (Social business center Paris, 2020)

Rural women in Bangladesh often lack knowledge in how to use water resources to generate income in their region. In some sectors, ponds could be used to enhance agriculture, but they are unprepared and not well managed. The participation of women could significantly improve and eliminate this problem. Awareness of the contribution



of women to agriculture is growing through social business interventions. Social business is, after all responsible for rural agricultural production. It has been suggested that social business managers wishing to recruit and encourage experienced women could tackle the age gap to boost the performance of women. This could increase the interest of other women seeking employment. Vocational fishing training has been discussed, and the need to help females to become more self-aware through education to tackle low self-esteem and confidence has been acknowledged. Social business vocational education could increase the participation of women in Bangladesh's aquaculture sector, thus playing an important role in empowering women in this region. Vocational education could be applied to empower women involved in the aquaculture sector in Bangladesh, particularly in rural area and cities. Social business vocational development is aimed at encouraging both local and city-based businessmen to foster agricultural growth through large subsidies to agriculturalists (Grameen shikha, 2021)

Bangladesh Labour Force Survey, (2017) conducted by the Bangladesh Bureau of Statistics (BBS), women constitute almost half the population, but the employment rate for women in the labour force is just 36.3 % (Ministry of Finance, 2018). Women make up only 10% of the total workforce in the country (Ministry of Finance, 2017). There are many barriers to female employment such as a lack of access to resources. While the agricultural sector utilizes the majority share of women, there is very limited access to facilities and services for them in that sector. For example, while 14 million farmers' cards have been distributed across the world, a negligible amount has been earned by women. This is extremely concerning, since about 77% of women work in the fields with their male colleagues during the day, and this has an effect on their economic performance. This is a basic measure of the lack of opportunities in various sectors for women. In addition, despite contributing a significant portion to the growth of that property due to social inequality, women are also trapped inside family property. At workplaces, the basic needs of women, such as maternity leave, and childcare services are not always catered for, and this creates an entry barrier for women in the workplace.

Additionally, social business rural development programmes are important for rural women and rural area. The social business rural development programme has spent more than US \$ 1 billion on road upgrades, solar electricity, a local library, a Grameen school and other links to rural development sites. It has also invested in shopping malls, offices, and rural health clinics. Their work includes constructing small

wood bridges for water pipes on rural roads. This was accomplished under a special programme called the social business rural development project. These projects empowered rural women by providing them with shops in rural area. Rural shops are owned and operated by rural women. This has brought about social change as these women now have more economic power and are enjoying the respect of men (Mallik, 2017). Social business motivates rural women to get into farming.

Before moving onto discuss farming, the next section sets out why rural women are motivated by social business farming. A higher proportion of women in farming than men could explain greater differences in women. When farming is left out, the difference in women in working hours is reduced, with women and men in production spending more time at work. Overall, women in services work fewer hours than men (Khatun and Saadat, 2018).

The lower hourly rate paid to women compared to men in the non-agricultural sector suggests two things. First, women may not be able to fully access long-term careers. Studies show that women face significant barriers to mobility and distance to work, and the availability of opportunities within equal spaces. Employers should provide safer and more segregated spaces for women while working for female employees, and this may place an additional burden on business and reduce incentives to recruit women (Islam et al., 2016)). Furthermore, women might not have a social network to provide information on available jobs. On the other hand, women may prefer this kind of work since it allows for shorter working hours to handle all of the economic tasks and household chores. Aside from shorter hours, a very small proportion of women who work less than 35 hours a week are willing and able to work overtime (Islam et al., 2016).

Although, the expected operating hours are the same as those of the LFP. Marriage and the number of young children, as well as the educational weight and share of the workforce, are important choices for working hours (Gibbons, 2018). As a result, the increase in the number of infants continues to reduce the number of hours provided to women, while this has little effect on male labour.

Women in the fishing sector are provided with training through distance learning services and e-learning. Indeed, E-learning digital materials help women and girls living in rural Bangladesh who are unable to buy study materials for traditional educational process. Bangladesh's teaching has been focused on programme learning due to the lack of experimental and technological assets. Instructors are unable to

change the traditional teaching system format. Low levels of English language skills between students and instructors are another factor that complicates matters (Richard,2004)

The present development and investment system of the country cannot generate new employment opportunities to satisfy demand. In other words, the development plan was set to expand the scope and reach of state involvement in productive activities on the premise that the income and expenditure that had enriched the private sector for so long could now be reinvested for the good of everyone. That is why social business has taken up the rural development initiative.

The author of the thesis conducted survey based on purposive sampling. Using this method, it was possible to assess how social business changes rural women's life based on a sample of 55 rural women. Purposive sampling (also known as judgement, selective, or subjective sampling) is a sampling approach in which the researcher chooses members of the population to participate in a study based on his or her own judgement. Purposive sampling is a non-probability sampling method in which components chosen for the sample are picked by the researcher's judgement. Researchers frequently feel that by using reasonable judgement, they can get a representative sample and save time and money (Ames et al,2019). The author chose purposive sampling because of his own judgment and explanation of the survey and interview. The author conducted surveys amongst 55 rural social business women in Magura, Bangladesh. The survey began on July 20th, 2020. During the pandemic, the researcher was unable to complete the survey in face-to-face setting. The author surveyed 55 rural women in 2015 when the author was a Masters student. The prepared questionnaire was distributed amongst 55 rural social businesswomen in Maguar, Bangladesh, 2020. The questionnaire was distributed 2020 via some social networking sites like, WhatsApp and Viber as this was both time effective and cost-effective. The author undertook this method as per the accountability of the respondents in these networking sites. The 2015 survey report was compared with the 2020 report. Age was seen as an important determinant of why rural women stay in social businesses for a long time. Age also predicted educational training amongst rural women. The survey comparison (2015 / 2020) appears below

Q1). Which age group do you belong to?

Options	Respondents	Percentage	Total
16-20	10	18.18	55
21-30	20	36.36	55
31-40	13	23.63	55
41-50	7	12.73	55
Above 50	5	09.10	55

Table 1, 2020

Options	Respondents	Percentage	Total
<b>16-20</b>	8	14.54	55
<b>21-30</b>	15	27.28	55
<b>31-40</b>	16	29.10	55
<b>41-50</b>	8	14.54	55
<b>Above 50</b>	8	14.54	55

Table 2, 2015

Table- 2, 2015 and table-1, 2020 show that young women had remained for some time in social businesses. Based on Table 1 (2020) the age of village women in social business was between 21 and 30 years. On the other hand, table-2 (2015) shows an average age of 31 to 40 years. After 5 years, young people engaged with social business to a greater degree. This shows a positive tendency for social business amongst women. Table 1 shows that women aged over 50 years spent less time in social business (14.54% in 2015 and 9.10% in 2020).

Q2). How many years have you been linked with social business?

Options	Respondents	Percentage	Total
6 Months-1 Year	11	20.00	55
1-2 Years	12	21.82	55
2-4 years	7	12.73	55
4-6 years	12	21.81	55
More than 6 -10 years	13	23.64	55

Table 3, 2020

Options	Respondents	Percentage	Total
6 Months-1 Year	15	27.27	55
1-2 Years	10	18.18	55
2-4 years	5	9.09	55
4-6 years	15	27.27	55
More than 6-10 years	10	18.18	55

Table 4, 2015

Based on the Table 4 (2015) showed that 6 to 10 years women were stay social, business 18.18%, after 5 years long stay with social business was 23.64 % so it is positive sign

for the social business that so long-time people like to stay with social business. This is positive tendency for the social business

Q3). How frequent (1 year, 2 meeting 1 month) do you visit local social business centre?

Options	Respondents	Percentage	Total
Frequently	16	29.09	55
Considerably	14	25.45	55
Sometimes	12	21.82	55
Rare	9	16.36	55
Not at all	4	7.28	55

Table- 5, 2020

Options	Respondents	Percentage	Total
Frequently	15	27.27	55
Considerably	15	27.27	55
Sometimes	10	18.18	55
Rare	10	18.18	55
Not at all	5	9.09	55

Table-6, 2015

Table 5 shows that 7.28 % of women in business did not visit a local social business centre at all (9.09% in 2015) After 5 years, this increased by 2% and the implications are concerning for social business. The data also shows that women visited social business centres more frequently, and up to 3 times per month (27.27% in 2025 and

29.09% in 2020). This suggests that rural women were willing to visit social business centers more frequently with the passage of time.

Q4). What are the new measures that the social business undertakes for rural women?

Options	Respondents	Percentage	Total
Educational Campaign	19	34.55	55
Workshops	13	23.64	55
Training for development sessions	15	27.27	55
Other	8	14.55	55

Table 7, 2020

Table-7 shows that social businesses have conducted various educational campaigns, workshops and training courses to develop women in business in terms of self-confidence and risk taking. The breakdown of this provision was: educational campaigns (34.55%), workshops (23.64%) and training development sessions (23.64%). Training sessions focused on supporting ambitions and developing skills in business.

Q5). How far do you agree that social business help to change your life through social business education?

Options	Respondents	Percentage	Total
Strongly Agree	20	36.36	55

Agree	18	32.73	55
Neutral	7	12.73	55
Disagree	5	9.09	55
Strongly Disagree	5	9.09	55

Table 8, 2020

Options	Respondents	Percentage	Total
Strongly Agree	15	27.27	55
Agree	10	18.18	55
Neutral	15	27.27	55
Disagree	5	27.27	55
Strongly Disagree	10	18.18	55

Table 9, 2015

Table- 8, 2020, shows that 36.36 % of women strongly agreed that social business education changed their life. On the other hand, in 2015 only 27.27% agreed with this. Table 8 shows that 32.73 % of rural women agreed their life had been improved by social business education, but in 2015 only 18.18% agreed with this. Table 9 (2015) shows that 18.18% of rural women strongly disagreed that social business education changed their quality of life. However, Table 8 (2020) shows that only 9.09% of rural women strongly disagree that social business had changed their family's quality of life. After 5 years, the number strongly disagreeing dropped by nearly 9.9%.



Q7). How far are you satisfied with social business campaigns

Options	Respondents	Percentage	Total
Highly Satisfied	22	40	55
Satisfied	16	29.10	55
Neutral	11	20	55
Dissatisfied	3	5.45	55
Highly Dissatisfied	3	5.45	55

Table 10,2020

Options	Respondents	Percentage	Total
Highly Satisfied	21	38.18	55
Satisfied	15	27.27	55
Neutral	10	18.18	55
Dissatisfied	4	7.27	55
Highly Dissatisfied	5	9.10	55

Table 11, 2015

Table 10 (2020) shows that 40% of rural women in Magura were highly satisfied with their social business education and training. In 2015 this figure was 38.18%. In 2020, 20% of rural women were neutral on this issue, compared to 18% in 2015. In 2020 5.45% of the women were satisfied, compared with 7.27% of women in 2015. Some 5.45% were highly dissatisfied in 2020 compared to 9.10 % in 2015. Overall, most women were positive about social business education campaigns, and 40 % of women were highly satisfied with educational camping

Q8). What are the challenges women faces to open social business?

Options	Respondents	Percentage	Total
Fear of family	20	36.36	55
Lack of Balancing responsibilities	17	30.91	55
Lack of family support	13	23.64	55
Other	5	9.09	55

Table 12, 2020:

Options	Respondents	Percentage	Total
Fear of family	19	34.55	55
Lack of Balancing responsibilities	16	29.09	55
Lack of family support	11	20	55
Other	9	16.36	55

Table-13,2015

Table 11 illustrated that rural women faced considerable challenges in terms of opening social businesses. The reason was fear of broke family, social barrier, uneducated and religious mis-concept. In 2020, fear of the family was 36.36%, but in 2015 this was 34.55%. In 2020 a lack of balancing responsibility was 30.91%, on the other hand in 2015 it was 29.09%. In 2020, a lack of family support was 23.64% but in 2015 it was 20%. The category other was 9.09% in 2020 and 16.36% in 2020. The data show that family fears increased by over 2% by 2020. Women family not willing to

support social business because lack of education and miss-concept about women empowerment.

### **Interpretations of the Results**

The author compared two survey 2015 and 2020. The 2015 survey was carried out on the same sample of women for a Master's thesis. The age of the women clearly influenced their ability to create a sustainable economic life. The data shows that most village women undertaking social businesses were aged between 21 and 30 years. This is the most significant age range when individuals were still able to learn new skills to create a better life. Young women also understand that if they start a business early, they will be economically self-sustaining. On the other hand, social business mainly focuses on young women. The youngest women take inspiration from social business centres and are able to contribute to society by opening a social business after engaging with these centres. Young women engage in social business because of the foster process. Women aged over 50 years tend to remain for a shorter time in social business because they are economically self-dependent.

Women remain in social businesses for between six and ten years. Based on the above data, it is clear that ten years ago, rural women were unable to attain social business activities because their families did not allow them to work. These women were able to support their families based on their ability to work.

Despite this, it was initially challenging for these women to understand and take part in social business. For some 40 years social businesses have helped rural women and have provided free education and motivation to them to make the financially self-sustaining. In addition, educational campaigns also help rural women into social business. Social business provide education for rural women and children.

The Grameen Shikkha programme has been organizing non-formal primary schools for slum children for some time. These schools, registered with the Ministry of Primary & Mass Education of Bangladesh Government, provide primary education from grade-1 through grade-5 over a period of five years to poor slum children. Grameen slum schools use public school text books supplied by government, and students are eligible to take part in national primary school finals organized by the Directorate of Primary Education. Social business vocational training centres also provide courses suited to various different trades such as industrial sewing, dress making and tailoring.

Social business centres help rural poor people through educational activities. Grameen Shikkha has worked with C&A international to provide vocational training in Bangladesh. The overall goal of this training programme is to improve Bangladesh's human resources in order to accelerate the country's economic development. The main goal of this vocational training programme is to offer low-cost professional skills to disadvantaged young men and women from rural areas and urban slums so that they can find meaningful work, either as self-employed individuals or as wage workers. This helps many people succeed in life. The world leading sourcing firms Thomas Edward Stockwell Company (TESCO) international sourcing Ltd is another example of success. The TESCO programme benefits children and garment manufacturing workers in Bangladesh. Undergraduate students enrolled in public universities or colleges, as well as those in higher secondary schools who are preparing for higher education can also benefit. Each of the TESCO scholars receives a BDT monthly stipend of 3000.00. The programme's implementing partner is Grameen Shikkha. Grameen Shikka gives TESCO scholarships to a hundred students each year whose parents are GB borrowers. In April 2008, Grameen Shikkha built a full-fledged career training centre in Talbag, Savar, near Dhaka City. GS has its own vocational training site in Asolia Savar, which it owns and operates. The GS vocational centre educates poor Bangladeshi youth and trains them how to repair cell phones, radios, televisions, refrigerators, fans, ovens, computers, and automobiles, amongst other trade skills. It also provides training in areas such as food preparation, garment tailoring, and electrical device assembly. Since 2008, more than 8,500 young men and women have been trained at this vocational training institution (Grameen Shikka, 2019). Grameen Shikka provides scholarships to several vocational trainees at the GS vocational centre to aid them with their expenses. There are costs associated with occupational training as well as living expenses. Grameen Shikka sponsors some students in vocational training to develop their skills. Scholarship money is awarded to students on a regular basis by GS, but only after a comprehensive review of their academic achievements. A new student receives a scholarship or bursary when an existing scholar completes his or her studies. Once a year, Grameen Shikka informs sponsors of academic achievement. Social business and Grameen Shikka support the development of schools, pre-schools, and day-care centres for their borrowers and beneficiaries. Grameen Shikka school offers a complete basic education curriculum for village children.

Women have long played a significant part in the economic life of their communities. They demonstrate their entrepreneurial and business skills by using and repaying their vocational training loans. Women, especially poor mothers, must divide their time between productive jobs and family reproductive roles. Their donations were considered as additional cash for family survival, or as a chance to improve their living conditions in Bangladesh's male dominated society. In the meantime, their unintentional participation in microfinance efforts has enhanced their business potential. The workshop assists women to practice the lessons that they are given by social businesses. Training and elaboration sessions are done by the social business to ensure that the women are getting appropriate guidance from trained people so that they get stronger physically as well as mentally through different personality skills development classes these classes empower the women, and have a lasting legacy

However, village women understand that education can change their life. As a result, most of the women who join the Grameen Shika programme succeed, yet some village women ignored Grameen Shika because they think that social business might not be viable without permission from their husband. Village women depend in part on funding from their husbands. The view of the village women is negligible when it comes to education because very few women consider basic education in social business to be necessary. Educated village women will be able to view their life in a different way following training, and education gives them the chance to think about change life.

organization of women and girl empower (WAGE) works with the Grameen Foundation to help women with the difficult challenges they face in society. Social businesses cooperate with WAGE to encourage women into business. Village women are often overlooked in terms of their contribution to the family. For example, according to a Grameen foundation report (2020), in 18 countries, husbands can legally prevent their wives from working. Globally, women remain overwhelmingly clustered in low-paid, poor-quality jobs, and earn 24% less than men for work of equal value. They own a smaller portion of businesses (Grameen foundation report 2020). This unequal access to training and resources results in less financial independence, increased likelihood of poverty, and power imbalances in villages. This is why social business collaborations work with WAGE to give women business training and the motivation to engage in a job for life. Social businesses conduct farming sessions to give rural women ideas about good farming using technology to make money.

**Conclusion:**

This chapter concluded that social business motivation to empower women is key to solving social issues. Social business is also a solution for unemployment and poverty, as well as the sustainable development of society. Social business is a route to poverty reduction. Social business encourages for vigorous economic activities and it ultimately generates more employment opportunities. This is better for the state's economy since high levels of unemployment hinder the growth of domestic economies. Social businesses drive women towards success and solve social issues.

Author also concluded that social issues reduce the quality of lives of people. Social issues are not the result of an intrinsic malfunctioning of a society, but the outcome of a process of definition in which a given condition is identified as a social issue. Author also concluded that a social issue can become a personal issue, family issues and public issue. Social issues occur as internal and external environmental issues and present as opportunities and threats. Social issues lead to inactive social growth, and so it is important to solve social issues. Social issues impact on economic growth, either within or outside the organization, and this can have a substantial effect on the capacity of the corporation to achieve its targets. Social business worked to solve social issue. This chapter author showed women and unemployed people found the economic solution by social business.

Author also concluded that unemployment and poverty are unsustainable. Government and other organizations have the responsibility to address this situation. In this chapter author showed social business vigorous economic activities for encourage open business rural women and unemployed youth. This chapter conclude that social enterprises are a critical solution for human. Social entrepreneurship is an idea that enables alternative business models to be created in order to establish socially relevant and helpful goals. Promoting the idea of social entrepreneurship is accomplished by developing business activities aimed not only at maximizing income but also at those business activities linked to ensuring the well-being of society as a whole, and certain social classes. Social business and social entrepreneurship are closely working for social benefit and social goods.

Author also concluded that social business centre supports individuals and organizations interested in being entrepreneurs in social business and aids them in creating innovative goods and services. The Centre promotes the creation of social business approaches by examining the unique social needs of each environment and

society, and by observing the characteristics of the comparative markets. The international social business discussion is very wide and is still developing. Apart from the Muhammad Yunus model, there are other examples of social entrepreneurship like Brac, Jagorani chakra foundation from Bangladesh, ASA from Philippines, Amul from India and fifteen from England.

Social business vocational education environment building is driven by intrinsic factors and this improves the self-teaching process of the students. Therefore, it should be comprehensive concerning amusement which supports hand to hand environments and the motivation of one direction learning. Social business educational activities that could also benefit an adult, such as the recovery of interactive simulations. Personal assistance's approach to particular questions generates challenges and as it demands vocational skill that could pacify and change students practicing skills that are not as systematized and well put together as complicated those in older problem-solving. Social business is fighting to solve social issues.

## **Chapter III: Financial and Social Exclusion Moderation: The Grameen Bank Institutions**

### **3.1 Financial and Social Exclusion**

Financial exclusion refers to a lack of access to financial services (World Bank, 2008). Exclusion identifies those who do not have access to common financial resources, like savings accounts, loans, cashless transfers, credit, and other financial services (Russell, Maître, Donnelly, 2011). When exclusion occurs, citizens are refused access to official financial institutions since they do not match the requirements due to their socioeconomic status. (FINCA, 2020). As a result, the banking industry is hesitant to incorporate entire groups of people, posing a significant dilemma for society. Finally, in cases of financial exclusion, these people are unable to obtain resources, and are thus unable to start a business (OECD, 2015). According to the Resolution Foundation, the following traits are typical amongst those who are financially challenged.

- They have no bank account or other financial facility
- They usually depend on alternate credit sources, like loans or pawnbrokers
- They have no access to other essential financial commodities like insurance or any form of savings, pension or retirement funds

People who are incapable of accessing basic financial resources find difficulties in handling their capital, and it is not easy for them to plan for the future (Gurtner, 2010). There is always a faction of society that has no access to financial facilities, and these people often try hard to obtain affordable financial services and advice. However, they face barriers in opening bank accounts as they are not able to fulfil the basic requisites for these (CFI, Financial Inclusion 2017). This makes them vulnerable since they cannot bear the cost of basic financial services. This can lead to illegal, or costly lending.

Financial inclusion is characterized as ensuring that disadvantaged groups and low-income groups have access to conventional banking services (Barclays, 2021). Poverty and inequality are more prevalent in countries where a major portion of the population lacks access to government-run financial institutions (World Bank, 2006, 2008). Leyshon and Thrift refer to financial exclusion as an indication of greater social exclusion. Based on this view, achieving broad financial inclusion entails more than



simply addressing the monetary and financial concerns of marginalized and disadvantaged individuals. It is about minimizing economic and social isolation (Rangarajan, 2008). When institutions deny credit, some people become exposed to loan sharks and money lenders, leading to social exclusion.

Financial exclusion occurs when a group of people are unable to obtain essential financial services. Exclusion is based on individual socioeconomic situations, and failure to meet a formal financial institution's requirements (FINCA, 2020). As a result, large groups of people remain unable to participate in the financial sector, posing a significant problem for populations. Finally, these people are usually unable to access resources due to financial isolation. To develop and improve their quality of life, they must expand their businesses.

Financial services are available in both formal and informal financial markets to address various aspects of financial exclusion. Credit, savings, insurance, and payment services are all included in this category. The inability to use these technologies and services or to have access to them is a major barrier to economic and social integration. If there is a financial market to which all citizens have equal access, it is possible to implement social policies more successfully. Due to inherent limitations, and a lack of understanding about the benefits, financial access remains a key challenge in underdeveloped countries. “Financial exclusion has two important effects for emerging countries like Bangladesh, India, Pakistan, Nepal and Sri Lanka: first, at the micro level people are unable to grow efficiently in accordance with their potential; and second, at the macro level, the economy suffers” (Nargis & Habib, 2020). Based on Nargis & Habib’s classification, financial excluded groups can be defined as people living within the bottom of the pyramid area. These people are unable to meet their own basic needs for food, accommodation, education, medication and clean water. Financial exclusion therefore affects financially disadvantaged people. For example, Bangladesh Bank has identified four groups of people that are financially excluded. These are women, low-income families, rural dwellers and members of marginalized groups, such as religious and ethnic minorities (Nargis & Habib, 2020, p-6). These categories are not surprising, given that most rural women in Bangladesh never get the opportunity to an open bank account in a conventional bank. This is why Grameen Bank took steps to provide loans for rural women and financially excluded groups, who are otherwise unable to access conventional bank.

According to Kempson & Whyley, (2002), 7% of UK households do not use any financial services at all, while another 20% only have a basic bank account. As a result, some households in the UK have limited access to non-government financial services such as a checking accounts, savings and investment accounts, credit cards, loans, insurance policies, and pensions. On the other hand, the percentage of the adult population, in Europe, who do not have bank accounts, is as much as 22.4 percent in Italy, 17.9 percent in Greece, 16.8 percent in Ireland, 16.7 percent in Portugal, 13.5 percent in Austria and 10.5 percent in the UK (Sergius & Koku, 2014). Clearly, financial exclusion not only affects developed countries, but also has consequences for developing countries. For example, financial exclusion in Latin America is far reaching. In Mexico nearly 65-85% of people are financially excluded. This figure is 65% in Colombia and 72% in Brazil representing a significant number of households who have no access to any formal financial institution (Kempson & Whyley, 2002). These excluded households, in general, have lower incomes and lower educational levels than those in the general population.

To develop upon financial exclusion in developing countries, Uganda is unserved by a formal financial market. Only 3% of the population is served by the semi-formal market, and 17 percent by the informal market (Kempson & Whyley, 2002). According to the World Bank's latest Global Findex Data, India is the second largest country in the world, after China, in terms of financial exclusion. Nearly 190 million people in India do not have a bank account (World bank, 2020). Another World Bank survey carried out in 2017 found that 79% percent of Pakistan's population is financially excluded. The most interesting thing about this exclusion is that 57% of the population of rural areas that are excluded are women (Daftarkhwan, 2021). In Nepal, nearly 60 percent of the total population still have no access to banks, and are thus financially excluded (Jaganath Karki, 2019). According to the International Monetary Fund (IMF, 2016), 45% of the people in Bangladesh have no access to formal financial services. High interest rates, a vast rural population and low literacy rates are amongst the prominent factors that restrict access to financial services (Anshula, 2021). On the other hand, only 22% of adults in Bangladesh have a bank account (Akram Hossen, 2020).

Based on the above data, it is clear that financial exclusion is an enduring phenomenon that remains present in developing and developed countries. Whilst developed countries have established banking systems and financial institutions, developed countries do not, and their governments are striving to solve the issue of

financial exclusion. On the other hand, governments in developing countries are also working to solve financial exclusion within their systems, but most systems have failed to solve financial exclusion because of corruption, high rates of loan interest, and the need to have a large deposit in the bank to maintain an account. Finally, poor people are unable to provide all relevant documents to banks to open an account. Additionally, banks in developing countries, and other financial institutions do not provide services for everyone, and so they are selective in that sense. Jobholders, educated and high-earning people are the main beneficiaries of banking services. Banks render services mainly for a selected population, and their loan services and other facilities are designed for the wealthy. Micro credit is not available in every bank (Hossen, 2020). As such, the 3<sup>rd</sup> sector has taken steps in developing countries to reduce financial exclusion through their activities. The Grameen Bank is one example of such a 3<sup>rd</sup> sector organization. It has been working since 1983 to reduce financial exclusion in Bangladesh and around the world. The Grameen bank is introduced in more detail in the next sub-chapter.

Financial exclusion is inextricably linked to social exclusion. Social exclusion is broad and multifaceted, including a wide range of issues linked to social isolation. Certain factions of society are unable to continue regular activities economically, socially, culturally and politically when their wealth, rights, goods, services (Mack, 2010). On the other hand, Kempson & Whyley, (2002) define social exclusion as a complex process, which involves the removal or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities that are available to the majority of people in a society, whether in economic, social, cultural or political arenas. Based on these definitions, it is clear that socially excluded people are excluded from particular social and economic activities. They are socially deprived, and this causes distress, illness and further poverty. Additionally, “Social exclusion is a contested term, with disputes over the agency responsible. Understanding it involves interactions between influences and outcomes at different levels - individual, family, community, national and global” (Hills, 2002, P.6). Social exclusion not only damages income. It also has implications for community inequality, social discrimination, human rights, social activities and poverty levels.

Hills (2002, P.7) suggests that social exclusion should be understood in terms of the failure of one of the following systems:

- the democratic and legal system, which promotes civic integration;
- the labour market, which promotes economic integration;
- the welfare state system, which promotes what may be called social integration
- the family and community system, which promotes personal integration.

Based on above four points it can be argued that democratic and legal systems are key to reducing social exclusion. Labour markets also fail to support legal rights for labour which is why some countries continue to see rates of social exclusion. Social exclusion has led to categorizations of groups who are most at risk of becoming socially excluded, for example, single mothers, young people who have been in care, children in deprived households, disabled people unable to find employment, travellers, refugees and asylum seekers and black people subject to racism (O'Connor and Lewis, 1999). Exclusion occurs when individuals are completely or partly disqualified when they belong to a certain social class, category or party, and when they are prevented from engaging in any kind of economic, social, and political existence. In different societies, social exclusion may be based on identities such as ethnicity, religion, gender, and disability.

According to (Hills, 2017) social exclusion:

- includes cultural divisions of society with cultural expectations, beliefs and norms associated with social interaction.
- is part of social relationships.
- affects people's rights, denying them opportunities to achieve and maintain a universally acceptable living standard and to achieve their potential.
- is a material dimension resulting in exclusion from material benefits such as sufficient income, appropriate housing and physical environments
- is spatial exclusion that places restrictions on where people can live, and on their mobility within and between places
- is about access to goods and services: this can include both public and private services.
- is about health and well-being: poor health as a consequence of material deprivation can contribute to increased poverty because of the costs associated with illness, and, in its own right can be a source of exclusion from social participation

- is cultural: certain lifestyles are regarded as irresponsible, immoral or other. Fear of the other can lead people to exclude those regarded as outsiders, whether that is a result of ethnicity, religion or psychiatric diagnosis
- is self-determination: certain social groups, such as children, people with learning difficulties and those regarded as mentally incapacitated, can be considered incapable of, and in some cases legally excluded from taking decisions about life choices

People excluded from society might be poor because of a lack of opportunities and a source of income. However, sometimes this occurs as a result of being poor, and in such cases people become marginalized. Excluded people can be left behind and this increases the vulnerability of society. Government uses different policies and strategies to reach such people, but in most cases, it cannot address the situation completely since other factors must also contribute to the eradication of poverty. In developing economies, corruption is common and so unstable government and insufficient resources and funds mean that poverty becomes more entrenched.

Social exclusion can restrain rates of productivity and slow down-market forces as many people with viable business ideas fail to acquire sufficient capital to start a business. Discrimination in the labour market is also a deterrent to business start-ups. In markets, typically powerless groups tend to be disadvantaged. Many poverty reduction policies fail to reach excluded people, who therefore remain in poverty because they are often unwilling to accept the opportunities available to others.

### **3.2 The History of Grameen Bank**

Bangladeshi society is an example of a deprived, poor society where a large faction of the population is deprived of the necessities of life. In the early seventies, after gaining independence from Pakistan, Bangladeshi society faced a huge influx of refugees that caused a shortage of food. Society was suffering from famine and a weak economy. Muhammad Yunus came up with the idea of a micro-credit facility at a basic level, as he believed that poverty could only be improved through this kind of provision. He therefore invented a system of social collateral. This mechanism worked very effectively, inculcating socially and financially excluded sections of society. The mechanism existed to support those who were completely unable to participate in any

kind of economic activity. This social collateral was actually an amalgamation of solidarity and peer pressure; a simple system to include all factions of society in economic activities in order to create income sources which would work for all of society. Everyone was eligible to participate in this new micro-credit system that was exclusively designed for excluded people in Bangladeshi society, not on the basis of financial status, but based on gender. This is because women were also eligible to receive loans. The first loans given out were followed by consecutive loans to other women, but only after the initial loans were repaid. In this way, collective pressure on the whole group was maintained. This mechanism has always been a key factor in the success of the Grameen model of micro-credit and repayment.

Grameen, micro-credit was not the main concern of global economic policies and public concern, yet when this idea was advanced by Yunus in order to include the poorer and less privileged population of society, the idea gained popularity. He claimed that poverty and deprivation could be easily handled and eradicated through the Grameen micro-credit model. Yunus predicted that this mechanism could end poverty for generations; an idea that was received with some excitement. Micro-credit had never been utilized in the specific way in which Yunus proposed and implemented it. His claim was that it could easily reduce the gap between excluded and mainstream people, helping those who are deprived of investment and opportunities to earn money and be a part of society. Yunus promised to take capitalism to the poor through self-help and individual entrepreneurship. The idea was to hand out small loans with a proper system of repayment.

Grameen Bank has gained a significant position in the global microfinance sphere since its introduction. The Grameen Bank microfinance concept has been adopted in over 40 countries and has enjoyed significant success in a variety of societies. This bank has served 9.44 million clients and 2,568 branches. Indeed, GB provides services in 81,678 villages, covering more than 93 percent of all villages in Bangladesh (Grameen bank website, Oct-2021).

Hazeltine (2003) identified GB's goals as follows:

- Banking facilities should be extended to deprived factions of society
- GB should stop money lenders exploiting the poor
- GB will provide job and self-employment options for the majority of Bangladesh's poor and unemployed population, particularly in rural areas.

- GB will organize disadvantaged women in a way that understands and meets their financial and employment requirements.
- GB will create awareness of a new concept known as low income based on credit and investment, more income, more savings, and more investment.

In order to be awarded a loan from the GB, rural women have to be extremely poor. This bank's intention is to remove poverty and unemployment through business, and to make recipients self-economic sustainably. GB not only works in Bangladesh; it also extends to other developing countries. GB has drawn global attention because of its aims and easy money lending mechanisms to support rural poor people in becoming financially strong. Their aim is to diminish the rate of poverty and unemployment. This idea is creative and effective because it focuses on organizational commitment and contributions to vulnerable people who are isolated from structured credit systems which focus on material collateral through collective liability. GB follows a code of social and financial preconditions that allow poor people to receive loans to improve their standard and quality of life. Most financial institutions have historically failed to contribute to rural development and credit availability for societal development. GB, with its innovative ethos attracted domestic as well as international attention as a model of success in helping to eradicate poverty.

Table 1: Grameen bank model

Number		
1	Group	5 members (self-formed and group approved all loans request)
2	Centre	4 to 8 groups
3	Centre meeting	weekly
4	Centre manger	Grameen bank employee
5	Centre chief	A member (Female)
6	Loan request and saving deposit	At centre
7	Loan distribution	At bank branch

8	Training	Training program available on the centre
9	If one member default, then no more loan to group	
10	Group members collectively responsible for loan	

Source: Adapted from (Yunus, 2006)

Rural women as the money creditors because they were not supposed to use loans badly as compare to the men moreover, they were more reliable than man when it comes to the repayment. There are five people in each group, who were collectively responsible for each other's loans in order to create social guarantees and an activate mutual screening process. It was mandatory for each client to make micro savings each week so that financial discipline could be created and financial guarantees could be achieved. In this way social conduct and responsibility could easily be maintained. Grameen bank preferred to recruit and train young graduates to eliminate the possibility of corruption. The Grameen Bank became an independent bank in October 1983, as a well-known financial institution that distributes small loans to the poorest of the rural poor area. Muhammad Yunus provided small loans of \$27 to 42 families to open business without incurring the kind of heavy interest that accompany traditional lending procedures (BBC News, 2006).

Although most financial institutions which provide credit based on security resources, Grameen Bank provides loans without any type of security. Grameen Bank has been effective at resolving information asymmetry problems that are common in rural financial markets. Social respect has replaced security at the bank. If they create groups of five, very poor individuals can acquire small loans from the bank. Each group member receives a separate loan, but they are mutually responsible for all five credits. The majority of Grameen Bank loans are handed to women, who are the poorest social category in rural areas. Grameen Bank loan recoverability has significantly improved the quality of financial returns to women. GB also grants access to microcredits for poor micro-entrepreneurs, so that, they can have the credentials and credibility to exploit market opportunities.

Grameen America (GA) adopted Grameen's model for poverty and unemployment reduction. GA encountered institutional challenges when it came to adopting the model from the perspective of developing nations juxtaposed against developed countries (*Kalam, 2021*). *Kamal, (2021) also noted that the microfinance*



institutions (MFIs) implementing the Grameen model have been forerunners in the field of community finance in the context of industrialized economies for some time. In so doing, they have tackled the dual logistics of community development and sustainability, which are challenging to reconcile. In this theoretical backdrop, the nature of the institutional challenges associated with adopting the Grameen model in the UK and the USA are unique.

Grameen America founded by Muhammad Yunus in January 2008. More than 40 million people live in poverty in the United States. The federal government defines poverty as a family of four living on \$25,100 or less a year. Many of these families are often working in minimum wage jobs (Berlan and Harwood, 2018). That is why Grameen Bank moved to America as a non-profit microfinance organization dedicated to helping women who live in poverty build small businesses to create better lives for their families. The organization offers microloans, training and support to transform communities and fight poverty in the United States. Grameen America has invested over \$1.9 billion in more than 142,500 low-income women entrepreneurs” ([grameenamerica.org](http://grameenamerica.org)). In addition the GA programme which offers loan capital, financial training, asset and credit building tools to Black women entrepreneurs, aims to provide \$1.3 billion in loans to more than 80,000 Black women entrepreneurs ([grameenamerica.org](http://grameenamerica.org), 2021). *According Kalam, (2021) the implications of the policies of Grameen America are:*

- Members should be allowed to self-select each other from tightly knit communities enabling the social collateral process to be effective.
- Weekly meetings should be made mandatory to facilitate dialogue and enhance discipline.
- Savings mobilization should be made compulsory with specified minimal contributions as it may be helpful for loan recovery and instilling discipline into borrowers.
- There should be a gender focus on female borrowers as the findings suggest that this may have beneficial effects on loan recovery and outreach.
- Outreach should be predominantly based on the Grameen principle of “going to clients” using a direct approach.

- Client training methods should focus on internal procedures and be used as way of augmenting discipline
- Regulatory distortions should be minimized to facilitate the lending process including home visits or community-based outreach.
- The nature of problem framing and organizational identity should resonate well with the parent organization, as this may be important for attaining procedural legitimacy.
- Significant changes in organizational identity may be contemplated in order to overcome regulatory impediments. GA's organizational aspiration to become a credit union, which if successful will help it to mobilize funds and help towards operational self-sufficiency.
- It would require broader policy changes such as enhancements to welfare to work incentives for MFIs (Microfinance Institutions) to successfully recruit indigenous clients.

Yunus suggested that microfinance for micro-enterprises is a way out of poverty. In 1990, the United Nations arranged a series of global summits for the purpose of poverty reduction, gender equality, education and other social issues. A microcredit summit arranged by US based group RESULTS took place as a global summit. It declared the notion of Microcredit as a human right, and various heads of state endorsed the idea. The summit decided to launch US\$21.6 billion for 150 million households to enable them to start up their own business to create a better livelihood. It also supplemented the idea of Grameen Bank's model of microfinance for socially and financially excluded people throughout the world (Rutherford et al. 2006). Some NGOs are working in Bangladesh to reduce poverty and help women, and one of these is the BRAC.

BRAC (Bangladesh Rural Advancement Committee) does similar work in Bangladesh as the Grameen bank. BRAC, Bangladesh is an NGO, which has incepted in 1972 after Bangladesh gained independence. It is one of the largest NGOs in the world, employing over 100000 people in 64 districts of Bangladesh. It has also grown into locations in America, Africa and Asia. It is self-financed by different organizations including those that produce dairy products, and food projects (Brac.net, 2021). It maintains offices in more than 14 countries, including the UK and USA. Since the activities of the two banks are the same, their bank interest rates and property statistics can be compared:

Table: 2, Comparison of Grameen Bank and the BRAC Bank in Bangladesh

	<i>Grameen Bank</i>	<i>BRAC</i>
Cumulative disbursement (all loans)	201.0 billion	–
Disbursement during the year (all loans)	24.2 billion	4.2 billion
Total deposits (balance)	22.3 billion	–
Deposits of GB members (balance)	14.0 billion	–
GB members' deposit as % of total deposit	70.0	–
Number of groups	1,388,316	–
Number of members	9.1 million	7.1 million
Percentage of female members	97%	87%
Number of villages covered	81,677	–
Number of branches	2568	2300
Profit/loss (for the year 2018)	211.5 million	943 million
Total assets	1.5 billion	3.6 billion

Source: A. I. Mahbub Uddin Ahmed, January 2021)

The table above illustrates that Grameen bank has provided loans to 2 million more members than the BRAC bank in 2021. Of significant interest is the fact that the BRAC has more assets than the Grameen Bank. The table evidences that Grameen Bank is more popular than the BRAC bank. It shows that loan recipients are mostly women (97%) and that, in 2018, the BRAC bank no gross profit was 943 million, whilst Grameen Bank only was 211.5 million. BRAC no gross profit 731.5 million than GB. Whist both banks engage in similar activities, Grameen bank works very closely with rural poor people. It also received a Nobel Prize for its services and ability to solve problems. On the other hand, BRAC made a loss because of poor policymaking decisions. Grameen bank has historically shown a determination to work hard, and that is why it recovers 99% of loans.

Table: 3, Interest rates at the Grameen Bank Ltd Bangladesh

Lone Name	Grameen Bank Ltd rate of interest
<b>Agriculture/Horticulture Short Term Crop Loan</b>	7%
<b>Financing Solar Water Pumping Systems &amp; Solar Equipment Finance Scheme for Individuals</b>	10%

<b>General Credit Card (Revised Scheme)</b>	10.20
<b>Self Help Groups (SHGs) Revolving Fund</b>	10.75
<b>Trade (Retail &amp; Wholesale) including Giri Finance Scheme</b>	10.20
<b>JKGB Easy Finance to Small Businessmen</b>	10.20%
<b>Rural Employment Generation Programme</b>	10.35%
<b>Micro &amp; Small Enterprises (Manufacturing)(Rural</b>	10.20%
<b>Arogya Plus - Scheme for Financing Doctors/ Medical Practitioners</b>	9.70%
<b>Purchase of Generator set for Traders/ Businessmen</b>	10.20%
<b>Loans for Stone Crushers &amp; Brick Kilns</b>	11.50%
<b>Transport Operators (including Replacement of Old Public</b>	9.30%

<b>2nd Hand Transport Vehicle</b>	12.50%
<b>Education Loans (Primary &amp; Higher Education)</b>	8.7%
<b>Housing Loans (including PMAY)</b>	7.20%
<b>Car Loans</b>	7.90%
<b>Personal Loans</b>	12.20
<b>Consumption Loan for Professional and Businessmen</b>	12.50
<b>Loans for Purchase of Consumer Durable Good</b>	11%
<b>Micro Credit Schemes (including Micro Credit Scheme for Fruit &amp; Vegetable Shop on Rehri)</b>	9.25

Source: Adapted from Grameen Bank, 2021 and Ahmed (2021)

There has been much criticism of Grameen Bank. Many people say that it operates based on high rates of interest. On the other hand, to open a bank account at a conventional bank people need to prove their identity and deposit 1,000 Bangladeshi Taka. On the other hand, each person needs to fill in an application form, which requires applicants to be literate. This excludes a number of poor rural people. The table shows that GB has an interest rate of 7% for agriculture /horticulture short-term crop loans, and a home loan rate of 7.20%. An education loan attracts an 8.7% interest rate, and these are lower rates than conventional banks. The rural poor people of villages depend

on agriculture for their livelihood. If they cannot invest in agriculture each year, they will be without food. This is why GB focuses on low interest loans for agriculture. On the other hand, it is not possible for poor people to get a loan from a conventional bank because they have no legal documents.

Interview Rupali Bank with senior officer Rabeya Akter, Nikunjo Branch, Rupali Bank. Interview date 23 May 2022, through the WhatsApp and interview with Trust bank senior principal officer Razibul Hasnat, Trust Bank Ltd, Shadheenata Tower, Jajangir Gate, Dhaka Interview date 24 May 2022, through the WhatsApp.

Table: 4, Interest rate Rupali Bank Ltd Bangladesh and Trust Bank Ltd Bangladesh

Lone Name	Rupali Bank Ltd rate of interest	Sr No	Lone Name	Trust Bank Ltd rate of interest
Consumer credit/ Professional lone	9%		Retail Loan	
General House lone	9%	1	Loan against salary	9%
Any purpose lone	9%	2	Apon Nibash loan	9%
Business lone continue	9%	3	Doctors loan	9%
Business lone (term)	9%	4	Car loan	9%
Government employee flat lone	9%	5	Personal loan	9%
Government employee house lone	9%		SME Loan	
Local documentary bills purchased lone	9%	6	Overdraft-SME	9%
Student lone	9%	7	SME-time loan	9%
SME-term loan			SME-term loan	
Loan for shop keeper	9%	8	Loan for shop keeper	9%
Loan for light engineering	9%	9	Loan for light engineering	9%
Women entrepreneur loan	9%	10	Women entrepreneur loan	9%

Commercial & Industrial loan			Commercial & Industrial loan	
Loan against trust receipt	9%	11	Loan against trust receipt	9%
Term loan- commercial	9%	12	Term loan- commercial	9%
Term Loan-Industrial	9%	13	Term Loan-Industrial	9%
Time loan	9%	14	Time loan	9%
Overdraft-working capital	9%	15	Overdraft-working capital	9%

Source: Adapted from (Akter, 2022)

Based on the table-3, both banks Rupali Bank Ltd Bangladesh and Trust Bank Ltd Bangladesh have interest rates of 9%, although Rupali Bank Ltd Bangladesh and Trust Bank Ltd Bangladesh does not help poor people. The Trust bank offers loans to women entrepreneurs, but not for poor rural women. The trust bank also provides loans to women with property, and uses the property for loan security. Rural women are not qualified to receive a loan from the Trust bank.

Table:5, Grameen Bank and Conventional Bank policy

	Grameen Bank	Conventional Bank
Method of Action	Start with the problem	Start with the solution
Credit target group	Poorest rural women mostly	Employed and entrepreneur
Policy	Poor people are credit eligibility for the lone	To grant a lone earning or other material granites
Agreement	Trust/ informal agreement/ Unwritten	Legal agreement
Branch	Rural areas	Small and big cities
Worker	Mostly women	Man & women

Source: Adapted from Yunus,2007

GB provide credit for the poorest rural women. If people are unable to pay, Grameen Bank does not take them to court. The policy is entirely built on faith. Groups

of solidarity have come to an agreement. GB strongly believe that rural poor women and poor people are creditworthy. The idea is that if poor people gain entry to business markets, they can make economic contributions to their family and society. On the other hand, conventional banks provide credit for permanent jobholders such as high earning people who already have the money to survive well. Conventional bank credit policies do not suit poor people because they believe that the poor are unable to pay money back. GB's loan agreements are therefore based on trust (an unwritten agreement or informal agreement where no legal documents need to be shown). A simple, unwritten policy is the preferred contractual policy.

Grameen bank does not require any documents from the rural women to provide loans, but conventional banks require multipole forms of legal documentation. Trust is valueless at conventional banks and written documents are key. Conventional banking customers tend to be job holders. Additionally, Grameen bank customers are rural poor people, mostly uneducated women. Yet 98% of Grameen loans have been repaid (GB, 2022). Conventional bank branches are located in cities where most people are in full time employment. The Grameen bank's branches are, in contrast, in rural villages and the porches of rural women's homes. Grameen Bank does not have a bricks and mortar branch and 97% of its staff are women ([Ahmed, 2021](#))

Photo:1, Grameen bank office work



This photo introduced Grameen bank money collection meeting.



Photo:2, Grameen bank office work rural area



Both photos showed that Grameen bank provides services for rural women.

### **3.3 Grameen Bank Company's Family Solution for Financial Exclusion in Bangladesh and Developing Countries.**

Financial exclusion because of GV do not provide job there no social insurance, Grameen bank company's family are working around the world as a financial exclusion reduction. The families have over 25 companies, including: Grameen Trust, Grameen Telecom Trust, Grameen Fund, Grameen Communications, Grameen Shakti (Grameen Energy), Grameen Telecom, Grameen Shikkha (Grameen Education), Grameen Mothsho Foundation, Grameen Krishi Foundation, Grameen Baybosa Bikash (Grameen Business Development), Grameenphone, Grameen Software Limited, Grameen CyberNet Limited, Gonoshasthaya Grameen Textile Mills Limited, Grameen Capital Management Limited, Grameen Knitwear Limited, Grameen Mutual Fund One, Grameen Kalyan (Grameen Well-being), Grameen Shamogree (Grameen Products), Grameen Danone Foods (joint venture with Groupe Danone). All of these companies work with and for poor people and a great example is the Grameen trust.

The Grameen Trust is committed to the cause of poverty alleviation. It plays a role as a poverty reduction institution to improve the financial conditions of rural people. The trust supports and promotes programmes that focus on poverty reduction

across the world under the Grameen replication programme., It has different tools and resources to address the needs of people including computer training and technical assistance, funding selecting projects and monitoring performance. The trust provides assistance in two forms: are seed-capital and scaling up funds. Grameen trust works in 42 countries with 153 organizations and distributes \$21.5 billion to open small business. Around 25.4 million poor people are directly connected with Grameen trust and \$17.8 billion has been repaid (Grameen Trust, 2022). Grameen trust provides businesses with knowledge with finance for young unemployed and destitute people in particular. As mentioned above, the GT is a poverty and unemployment solution. For example, GT created 7,798 jobs and provided 21,000 billion in loans in Bangladesh in 2021 (Grameen trust report,2021). Its activities span 41 countries having started out in India in 2005 as the Ujjivan bank. It has 3.6 million active small borrowers in 24 states and 469 branches. Ujjivan SFB is one of the first ten microfinance banks licensed by the central bank of India. The Central Bank of India has created a new category of bank, following Grameen trust's suggestions. Ujjivan is one of the first MFIs which received the license (Grameen trust, 2022). The trust also has various responsibilities such as hosting Grameen's global network and publishing the company newsletter which aims to promote the microfinance movement. Grameen trust also offers the Nobin Equity program and in 2021 it opened some new branches, reflected in the chart below:

Table: 1, Nobin (new) program January 2021

Number of Anchol (Area)	11
Unit office	65
Total district covered	26
Total upazila covered	41
Total branch covered	222
Total staff	180

Source: Grameen trust, 2021

Table: 2, Board of trustees meeting

Number of approved applications	21000
Gender ratio	72:28
Amount invested	1607.34 million TK
Amount disinvestment	1044.72

Disinvestment rate	875
Disinvested pending	41.22
Amount disinvestment	38.52
Disinvestment rate	93%
Outstanding investment	689.11 million TK
Arrear disinvestment	240.32
Technical Assistance cost realized	174.05
Jobs created	7798

Source: Grameen trust, 2021

As the table reflects, GT approved 21,000 new business application in 2021 and invested 1607.34 million TK. The total disinvestment rate was 93%, and 7,798 jobs were created. GT therefore supports unemployment reduction. GT provided job within a month 7798 people in 2019, the Grameen trust reached a milestone of supporting 10,000 New Entrepreneurs. As of July 2019, GT had approved a total of 10,055 Nobin projects with equity investment of BDT 80,30,70,000 (USD 9,560,357.14). The businesses of these projects include shopkeeping, fisheries & livestock, handicraft & cottage industry businesses, micro businesses, service & transportation, and agriculture & forestry. Amongst the 10,055 new entrepreneurs it has supported, some 2,719 are female, which is 27% of the population. Grameen America serves 500 women and invested over \$1 million during 2008 in Houston. GA has empowered over 108,000 women through their services and has created 114,000 jobs. In addition, some 409,000 loans have been dispersed amounting to more than US\$1 billion where the repayment rate has been over 99%.

As technology is advancing, the consumption of power is steadily rising. A sufficient and reliable source of electricity is a major prerequisite for sustained and successful economic development efforts, and poverty reduction. In Bangladesh, 90 million out of 165 million do not have direct access to electricity. Those that do have access to a poor power source (Haque & Rahman, 2020). Electric power in Bangladesh is not sufficient to meet the growing demand of consumers. As such, it is not possible to ensure a constant supply of electric power to all consumers throughout the country. Moreover, demand is increasing day by day. As such, it is essential to create new power stations to meet demand. To address the power issue, the Grameen bank family

established Grameen Shakti in 1996 with the objective to provide electricity to rural areas of Bangladesh at an affordable cost.

Photo:3, Grameen education without electricity



Photo introduce rural children learn without electricity

Grameen Shakti provides electricity to 8 million rural people. Grameen shakti created job over 60,000 people in Bangladesh (Grameen Shakti, 2021). Grameen Udyog is a rural enterprise which is based on collective action, equity and equality, providing continuous and stable employment opportunities for small farmers and artisans in the form of skilled labour in rural society. The organization supports rural people with financial assistance so that they can provide them with quality products and health care as well as education facilities. Its aims and objectives are to deliver socio-economic welfare and support to rural people to raise their living standards and quality of life whilst enhancing their capabilities and skills. They also seek to promote specialized rural products through recognition of the talent, skills training, production support and established linkages with main markets.

Grameen Bank offers a number of microfinance programmes to support rural society. It initiated a subsidiary organization to create self-employment and to help rural women in Bangladesh. Grameen Bank has devised a model to create better local living conditions in Bangladesh. One of the most important organizations is the Grameen Krishi Foundation which aims to provide agriculture irrigation facilities to poor and unprivileged farmers who would otherwise be landless. After the foundation of Grameen bank as a micro financial institution, its main aim was to eradicate poverty

through its various financial strategies and approaches. The Grameen Krishi foundation is a non-profit organization which helps farmers by providing agricultural products.

Grameen Kalyan is a comprehensive funding and distribution programme for health services designed to provide Grameen Bank members and other villagers with quality, accessible healthcare. According to A K M Moinuddin Chowdhury (Managing Director, Grameen Kalyan) Grameen Kalyan believes in trust, quality and innovation in delivering services. The GK mission seeks to transform healthcare in Bangladesh at primary, secondary, and tertiary levels. GK also exists to provide affordable and quality healthcare and well-being services to remote communities at the bottom of the pyramid, empowering them to get out of the poverty cycle.

According to Reis (Sep 13,2011) Grameen Kalyan's goals are:

1. To provide primary healthcare to the low-income populations in the rural community.
2. To set up and operate community based primary healthcare centres following social business principles.
3. To ensure quality healthcare at an affordable cost
4. To support and contribute to the establishment of other health facilities/institutions
5. To minimize inequalities in healthcare between urban and rural areas
6. To undertake rescue operations and provide emergency healthcare to victims during natural calamities
7. To provide financial support to borrowers and employees of Grameen Bank (GB), and their families
8. To establish health related social businesses and other businesses/projects for the benefit of low-income populations
9. To support research and experimentation to improve the conditions of the poor
10. To create self-employment opportunities through youth entrepreneur investment programmes

Based on this goal, GK has provided affordable health care services to people at the bottom of the pyramid for 25 years. Millions of poor people are served with

empathy and care. In 2021 GK served over 7,829,030 people in 30 districts in Bangladesh. Doctors' consultations have been attended by 460,263 people. A further 302,565 have been given access to medicine and 235,682 now receive at-home health services. Some 332,000 have been provided with vaccinations and immunization and micro health insurance has been made accessible to 45,100 people (Grameen Kaylan,2020). GK has introduced an accessible health micro-insurance scheme, with a network of community-based health centres and rural clinics to Bangladesh. It has managed a new secondary and tertiary care referral system and coordinated community-based female health workers' outreach health programmes. The operating cost recovery rate of GK in 2020 hit 83% (at the point of continuous expansion), up from 38% in 1997. In 14 districts and 50 zilla (sub-districts), GK currently runs 48 health centres and offers primary health care services to 2.2 million residents (Grameen Kalyan website)

Health micro-insurance is important in GK operations, and it works to reach its goal of community engagement and raising programme revenue. This method relies on a fee schedule with a sliding scale. Grameen Bank non-members pay marginally more (300 taka or about \$4.28) than members (200 taka or about \$2.85), but there is little difference between service and rewards, and up to six members of the cardholder's family are protected under either package. The package offers everyone, regardless of enrolment, free medical care, family planning, and health education programmes. Enrolees pay 20 taka or about \$0.29 for health centre visits and non-enrolees pay 50 taka or about \$0.71. A discount on medicine and laboratory studies is also offered to enrolees.

Photo: 4, Grameen health care



Above healthcare photo showed GK health care door to door step.



Photo:5, Grameen emergency health service



GK health care door to door step emergency medical in rural people.

Another company connected to Grameen Bank is the Grameen Fund. During 2020, 519 loans totalling US\$ 662,174 million were awarded, including 416 micro-enterprise loans (Grameen fund,2020). GF's goal is to create a new market funding mechanism that fills the venture capital deficit while demonstrating excellent returns and job development. Grameen Communication is one of the most important enterprises of the Grameen family. Bangladesh does not have a good communication system which is why Grameen Communications has taken steps to solve these problems.

Bangladesh's telecommunications infrastructure is one of the poorest and most outdated in the world. The tele-density of the country was less than one (0.63) per 100 persons in 2003. Potential telecom users had to wait 4-6 years to get a telephone connection. The service quality of the BTB (the only service provider) was poor, and the call completion rates remained under 50 per cent. Although about 80 per cent of people live in villages, there was no telephone connection in rural areas. Against the backdrop of public sector telecommunication's inability to meet growing telecommunications demand, the advent of mobile phone technology and an ideological shift towards the neo-liberal economic paradigm meant Bangladesh initiated liberalization of the mobile phone sector between 1989 and 1990. The first mobile phone license was issued in 1989 and then five more mobile phone licenses were issued between 1996 and 2005 (Ken Coghill, 2020)

A lack of exposure to mass media is the biggest challenge in communicating with poor people. Grameen phone specializes in identifying regions and communities

that have little or no access to conventional media (e.g., TV, radio, print, cinema). It has created and implemented new media formats to support communities. A lack of media data at the district level poses problems for planners. Grameen bank family planners created a solution that combines media reach data, available at the sociocultural region level, with district-level rural purchasing power. Only 13 percent of rural Bangladeshi is media-live, whilst 45 percent is media-gray. 42 percent media is media dark (Kobir Hossain, 2019). Grameen communication was therefore determined to develop mass media (TV, radio, print, and cinema and mobile phone) and new media that poor people could access. In the division of Khulna, for example, media was live for 12 districts, and gray for 4 districts (Rehaid, 2019). In Magura forty-one villages were media-dark, and twenty villages were media-gray. Only a few villages were media-live. Between 2000 and 2001 there was no single mobile phone provider. Communication to rural people is seemingly low-tech, but technology is the backbone of any implementation plan.

Grameen phone network developed a system that placed every one of the villages and feeder towns on their media planners' desktops. They introduced wireless phones based on key data about audiences, and the infrastructure available in each village. Grameen phone network mapped software provision to villages on a map, relative to the district headquarters, main roads, and feeder towns. The data enabled two kinds of micro-level planning. First, knowledge of village-level infrastructure informed decisions on where to locate communication activities. The visual depiction of roads and the distance of a village from a feeder town helped Grameen phone network plan routes and coverage for communication activities.

Grameen phone Community Information Centre (CIC) is a social innovation that is used as a nodal point for communication, information exchange, entertainment, citizen-centric services and learning in the BOP market of Bangladesh. It fulfils this purpose via the establishment of IT awareness, and IT infrastructure amongst the local populace. It is an internet service providing the Grameenphone project, which is facilitated by Enhanced Data Rates for Global Evolution (EDGE) and General Packet Radio Service (GPRS) technology. There are 525 CICs located in different villages and underprivileged areas of Bangladesh (Grameenphone CIC Website, 2011). The success of CIC largely depends on how the concept is introduced to the people. CIC might pose a great challenge because most rural people have had no primary education and so IT services are completely new to them. Grameenphone has plans to introduce



IT in the BOP market of Bangladesh. To choose successful entrepreneurs, they selected those aged under aged 40 years with preliminary knowledge of the relevant hardware and software. They provide free training to the entrepreneurs to get a head-start (Grameenphone CIC, 2011). They prefer to support people who are accepted in the community so that they can influence them to learn about IT services. E-mail, videoconferencing, digital photography, printing (including high quality photo printing), and agricultural consultation are the most frequently used services in CIC. Furthermore, e-mails are used as a substitute for traditional mail services. These facilities are available at incredibly nominal rates. Visitors of all age groups come to CICs to communicate with others in the digital world (Grameenphone CIC, 2011).

Grameen Telecom is a subsidiary organization established under the flag of Grameen Bank, and its social development plans have a partial stake in Grameen Phone. GT vision is formulated to make mobile phones a source of income generation and to provide smart phones to rural people. Grameen Telecom proposed different programmes to inculcate rural people into the global sphere of information technology. GT is the main operational and implemented plan among others. The Village Phone program is a specialized concept for supporting, initiating and providing modern telecommunication facilities and related services to poor rural people who do not have access to telecoms in Bangladesh. To avail this facility, it is mandatory for the aspirant candidate to become a member of Grameen Bank. The phones provided through this program have very cheap billing rates and are provided with little background paperwork. Once someone becomes a subscriber to the services, he or she is encouraged to facilitate the people around them to cover incoming and outgoing calls. The subscriber can earn money in a very simple manner with little investment, and can repay the debt to the bank whilst earning a profit. Through this scheme, many rural people, especially women have a unique and easy way to come out of poverty and change their lifestyle (Grameenphone CIC, 2011).

The owners of Grameenphone provide a unique blend of telecoms and work for the organisation. Telenor (55.8%), Norway's largest telecoms service provider with mobile phone operations in 12 other countries, has forged a partnership with Grameen Telecom (34.2%), a Bangladeshi non-profit organisation. The remaining 10% of positions are owned by banks and clients. The technological know-how and organisational competence of Telenor was critical in the establishment of an international-grade mobile phone network in Bangladesh. Telenor has contributed to the transfer of

experience to direct workers throughout the years as one of the founding members of the GSM service in Europe. The official owner helps with technology and business development, while the national owner has a presence in Bangladesh and a full understanding of the economy. Both are dedicated to Bangladesh and its efforts to strengthen its economy, as well as Grameenphone's goal of delivering affordable telephones to all Bangladeshis. Telenor is one of the fastest expanding mobile communications service providers in Europe and Asia, with holding interests in 12 mobile operators across the continent. Telenor operates in three segments: mobile operations in 12 countries, fixed-line services in the Nordic region, and broadcast services. They saw the synergy between microcredit and ICT. The phone business was a success and became a coveted enterprise for Grameen borrowers. Telephone-ladies quickly learned the art of telephone business, and it has become the quickest way to get out of poverty and to earn social respectability. Today there are nearly 900000 telephone ladies providing telephone services to the villages of Bangladesh. Although the number of telephone-ladies is only a small fraction of the total number of subscribers, they generate 9 percent of the revenue of the company (Yunus, 2007).

Photo: 6, Grameen phone rural social business



Photo: 7, Grameen phone rural social business

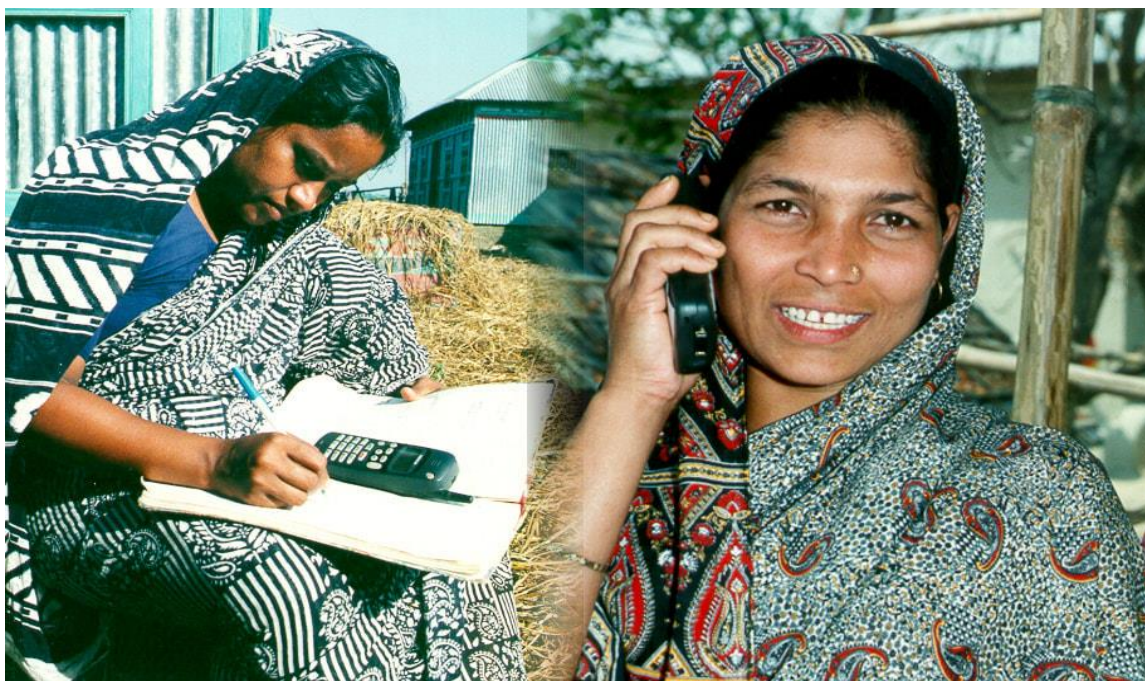
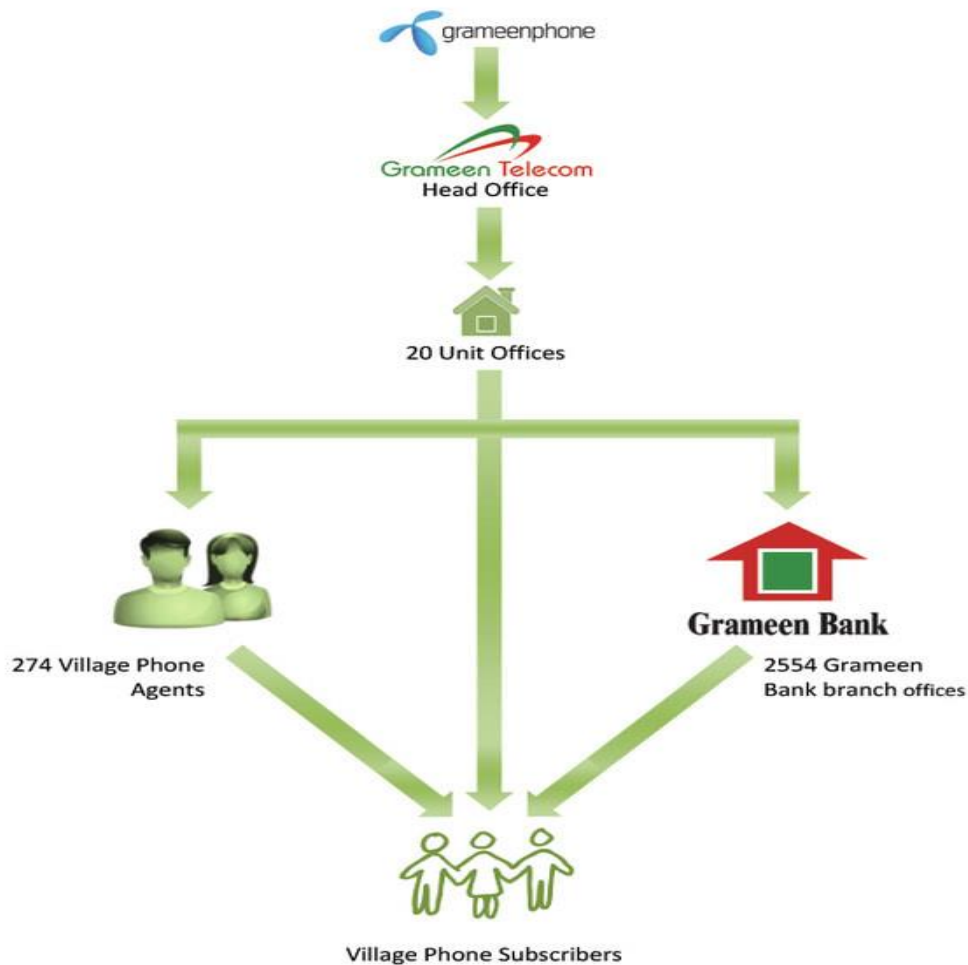


Photo:8, Grameen phone rural social business



Photo:9, Grameenphone Business model



The above images show how village women do business with Grameen phone. One of the women in the author's village is called Salaha. She lives in village called Ghullia. Her husband is a farmer. In 2000 and 2001 the village had no mobile phones. Salaha worked with Grameen Bank and started a call centre business. The local people began to use her contact centre to make phone calls. A 1-minute phone call was 7 Bd tk. Salaha was able to profit from the business and support her family. Grameen phone has been hailed as a successful example of introducing technology to the poor. It is an example of rural women accessing mobile technology to alleviate poverty (Khan,2018)

In February 2020, the Bangladesh government imposed a lockdown in the country as a containment strategy against the global novel coronavirus disease (COVID-19). Though well-intended, the lockdown measures had negative effects on the economy, the livelihoods of Bangladesh families and their access to basic necessities. It impacted on access to education and learning. Micro, Small, and Medium



Enterprises (MSMEs) took a hit, as people complied with the government's stay-at-home directive, and households dramatically decreased spending in response to the uncertainty brought about by the pandemic. The effects of the COVID-19 lockdown disproportionately hit women micro- entrepreneurs. Women reported an uptick in unpaid labour and a decrease in economic productivity as a result of the quarantine. Environmental factors--entrenched gender biases, the lack of affordable, stable internet connection, limited access to up-to-date phone technology, as well as pandemic-related restrictions in mobility made it even harder for women and their families to cope (Rafik, 2020)

The Grameen Foundation launched the COVID-19 Response to Enhance Livelihood of Individual Entrepreneurs and Families (COVID-19 RELIEF) programme in May of 2020. The programme aimed to respond to the critical needs of women micro-entrepreneurs as a result of the pandemic by piloting innovative digital technologies, including the use of e-wallets to deliver aid and digital education designed to build self-reliance and resilience in the face of a crisis. "Supported by Grameen foundation provided service 3500 individual entrepreneurs and their families with non- cash immediate relief assistance and longer-term crisis management and recovery support (Grameen trust website, 2021) During Covid- 19, GT provided food support and set up a mask distribution programme. Grameen Telecom said it would provide 1 million free masks to underprivileged people to prevent coronavirus transmission. Already 72,000 masks have been distributed through various organisations, (Prothomalo, 2020)

## **Conclusions**

Author concluded that financial exclusion refers to a lack of acceptable, low-cost, fair, and safe financial products and services for certain sectors of society from progressive suppliers. On this chapter author Grameen Bank has been able to provide support to excluded groups. Author also showed that Grameen bank is not a full solution for excluded people, but it offers them much needed support. Author also concluded that Grameen bank provides loans for rural poor people and affordable financial services. It also provides access to payments and support facilities, savings, loans, and insurance services that are otherwise not provided to excluded groups by conventional institutes. Grameen bank also ensures that all excluded members have easy access to financial systems. This viewpoint considers a number of factors linked to financial exclusion, including financial service accessibility and availability. Additionally,

financial exclusion not only exists in developing countries, but also in developed countries.

Authors also concluded that social exclusion is broad and multifaceted, spanning a wide range of issues including social isolation and minorities in society. Such minorities are unable to develop economically, socially, culturally and politically and there are implications for their wealth, rights, goods, services and other activities would be disruptive. Author also concluded this chapter, social exclusion as a complex process, which involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in a society, whether in economic, social, cultural or political arenas. Author also perceived that social excluded people are deprived social and economic activities, social deprived make them mentally sick and financially deprived make them very poor. Additionally, Social exclusion is a contested term, with dispute over the agency responsible, understanding it involves interactions between influences and outcomes at different levels - individual, family, community, national and global. Author also showed social and financial exclusion not only exists in Bangladesh, but in other countries as well.

Author showed Grameen America (GA) as an example that Grameen America adopted Grameen's model for poverty and unemployment reduction. GA encountered institutional challenges when it came to adopting the model from the perspective of developing nations juxtaposed against developed countries. Author also concluded *that* the microfinance institutions (MFIs) implementing the Grameen model have been forerunners for the community finance in the context of industrialized economies for some time.

Author also showed this chapter Grameen communication is one of the most important enterprises of the Grameen family. Grameen communication is developing a quick solution process and systems for replication in other countries. It is also launching various training programs for new and aspirant customers. It builds customized user-friendly systems according to the requirements of customers, with uninterrupted customer support programs to enable businesses to implement different systems successfully for high end customers. Grameen Communication has promised to provide quality service and flawless performance especially in microfinance field not just in Bangladesh but also in different affiliated countries of the world. Another problem in Bangladesh is communications. Bangladesh does not have a good communication

system which is why Grameen Communications has taken steps to solve these problems. Author showed the communication solution by Grameen Communications.

Author also introduced Grameen Kalyan (GK) health micro-insurance scheme, with a network of community-based health centres and rural clinics to Bangladesh. It has managed a new secondary and tertiary care referral system and coordinated community-based female health workers' outreach health programmes. Author also concluded that Grameen phone Community Information Centre (CIC) is a social innovation that is used as a nodal point for communication, information exchange, entertainment, citizen-centric services and learning in the BOP market of Bangladesh. It fulfils this purpose via the establishment of IT awareness, and IT infrastructure amongst the local populace. It is an internet service providing the Grameenphone project, which is facilitated by Enhanced Data Rates for Global Evolution (EDGE) and General Packet Radio Service (GPRS) technology. Grameen phone might pose a great challenge because most rural people have had no primary education and so IT services are completely new to them. Grameenphone has plans to introduce IT in the BOP market of Bangladesh. Grameen phone provide free training to the entrepreneurs to get a head-start. Grameen phone not only used for personal communication but also used for rural communication business.

## **Chapter IV: (Good) Governance for Social Business**

### **4.1 Political Regime in Bangladesh.**

In a political regime, a set of formal and informal rules are typically in place to identify those in positions of political authority as well as to govern the appointment of those who will hold the most important positions in government. These rules also establish both vertical and horizontal restrictions on the exercise of political rights (Jeroen, 2014). As a parliamentary democracy, the People's Republic of Bangladesh is headed by a president and prime minister. It is possible for a president to serve two terms in office. Voting is open to all adults over the age of 18. Its 300 members serve five-year terms in the Jatiya Sangsad parliament, which is called the Jatiya Sangsad. Although the president formally picks the prime minister, the person chosen must represent the majority party in parliament. Sheikh Hasina, the Prime Minister, and President Abdul Hamid are the current leaders of Bangladesh. A parliamentary democracy or parliamentary democracy regime" was established on January 11, 1972 in Bangladesh. (Haque, 2021). to the section below provides political regim and a short political history of Bangladesh.

Before 1947, Bangladesh was a British colony. After 1947 Bangladesh was part of Pakistan until 1971. After 9 months of war, Bangladesh gained independence on the 16th of December 1971. From 1971 until 1990, Bangladesh had a challenging political system that was hard to define. Gabriel (2000) discussed Gyasuddin Molla's work on the political system and regime of Bangladesh from 1972 to 1990 which appeared in Heidelberg's Papers in South Asian and Comparative Politics (Gabriel,2000). When a political system is put into operation, several environmental variables interact with one other, resulting in a particular political culture. From 1972 until 1990, Bangladesh's political system operated under an authoritarian context, and so the nation developed a non-democratic political culture.

In 1971, Bangladesh became a sovereign state and remained committed to parliamentary democracy until 1975, when it converted to a one-party presidential government with a monolithic nature. Sheikh Mujibur Rahman, the front-runner of the Bangladesh independence struggle, benefited greatly from the system's setup. The fledgling democracies that began with parliamentary democracy quickly lost their course and the nation returned to an authoritarian, dictatorial government in 1975. This



occurred only three years after Bangladesh gained its independence (Molla, 2000). From 1972 until his murder in 1975, Bangladesh was led by Sheikh Mujibur Rahman.

The constitutional arrangement of totalitarian control was soon replaced on August 15<sup>th</sup> 1975 by an army coup spearheaded by a few disgruntled army officers. The army putsch assassinated Sheikh Mujib and his family members overthrew the government and installed a military dominated civilian regime. The kind of political life that Bangladesh started in the post-coup years gave rise to a series of military coups in the process of the militarization of the political system. The second army coup occurred on November 3<sup>rd</sup>, 1975 and the third coup took place on November 7<sup>th</sup> 1975. The latter coup saw Brigadier (later on Major General) Khaled Musharraf and his associates killed, and established the domination of the 'nationalist' forces under the leadership of Major General Ziaur Rahman" (Molla, 2000).

On May 30<sup>th</sup>, 1981, a failed coup led to the killing of military President Ziaur Rahman as a direct result of the grandiose plans of politicized army commanders. It was a countermove that brought down the coup and saw the rebel commanders murdered. A bloodless military coup by General Ershad, who gained power the next year (on March 24, 1982), compelled President Sattar to "give over control at gunpoint." (Molla, 2000). Until 1990, the military government of General Ershadi remained in place until he was forced to retire and give over control to an interim caretaker government by a militant, united, and popular revolt throughout the nation. On this day, Bangladesh's military dictatorship came to an end. Since 1971, some 34 military dictators have dominated Bangladeshi politics. General Ziaur Rahman ruled for six years (1975–1981), followed by General Ershad for nine years (1982-1990). Even while Sheikh Mujibur Rahman was in charge of the country as a civilian, he maintained a number of policies that were more dictatorial than democratic.

During the tenure of military authorities in Bangladesh after the decline of Sheikh Mujib in August 1975, this became a frequent occurrence. As time went on, the military authorities of Bangladesh adapted and expanded the country's authoritarian political structure. "Ziaur Rahman tried to give his military dictatorship an air of civil governance. At that point Zia's attempt to gain both personal legitimacy as well as institutional legitimacy created unrest when a second martial rule was imposed, and General Ershad took command. A civilian administration led by President Sattar, who was compelled to "give over control at gunpoint" following the killing of Ziaur Rahman on May 30, 1981, lasted just 10 months (Gyasuddin, 2000)

Ershad's repeated attempt at electoral practices such as the Upazilla elections in 1985 (local government district), and the Parliamentary and Presidential elections in 1986 and 1988 - proved instrumental in destroying the acceptability of election to obtain a people's mandate. At every stage, Ershad implemented the blueprint of farcical election. The Upazilla election was defined by considerable documented violence including stabbings, bombings and ballot box snatching. This resulted in several deaths and uncountable injuries and it deterred the people from exercising their right of franchise. It also diminished their faith in the process of election” (Molla, 2000).

Under military rule, no one participated in, or accepted the voting process. Indeed, voters gradually lost faith in the voting process. Election procedures were reduced to shambling in order to elect a meek parliament because of accusations of election irregularities and misconduct by opposing parties. Ershad showed his capacity to influence the democratic process via manipulated elections by padding ballot boxes, bullying voters, moulding bogus ballots, and finally through voting piracy by media coup throughout his nine years of military administration.

Since it was not a candidate in the election, the caretaker administration was able to build confidence with the public. In this election, unlike any other, the people utilized their right to vote in an unrestricted manner to signal a return to democracy. All political parties and coalitions participated in the election in full and open competition. As predicted by political experts, the Bangladesh Nationalist Party (BNP) won a single majority (140 of the 300 seats in the parliament) in the elections. Bangladesh Awami League (BAL) finished in second place, with a total of 88 points. The administration was founded by the BNP with the assistance of Jamat-e-Islami, which is most known for its anti-liberation platform. Both presidential and parliamentary systems of governance are democratic. Everything relies on how a system can be made to operate and how well a system can be adapted to the genius of the people of the region. There was a stronger sense of identity among Bangladeshis who had lived under parliamentary democracies. In addition, because of Bangladesh's limited geography and homogenous population, the country was ultimately better suited to a parliamentary form of government.

The Bangladesh constitution, under the appellation of the Presidential system, was created to establish 'constitutional authoritarianism that spurred elected Presidents to become autocratic.' A presidential system of constitutional authoritarianism is not democratic since caretaker governments are seen as unstable (Molla, 2000). The

opposition has refused to participate in parliament since the first quarter of 1994, resulting in a severe political crisis for the nation. As a result, the parliament has been rendered ineffective by a lack of opposition participation. There is a clear timetable for when general elections will be held under a caretaker administration after the dissolution of Parliament by its president. Elections will be conducted within 90 days following the President's decision to dissolve Parliament. The interim administration will be dissolved as soon as the President nominates a new Prime Minister in accordance with Article 56 of the constitution after the legislative elections.

In 1991, a caretaker administration was formed as a result of a broad political agreement. A caretaker administration was constitutionally established in 1996, which held parliamentary elections on June 12, 1996 in order to fulfil both a constitutional and historic obligation. The Election Commission was reformed and strengthened to ensure that the election was free, fair, and transparent. The election was watched by about 300 international observers. As many as 35,000 local observers were also present on June 12, 1996, to keep an eye on the vote. The caretaker administration enacted stringent rules to ensure a fair election (Molla, 2000). Elections were fiercely fought by 81 political groups and coalitions, which included all of the main political parties in the nation. The election was a success thanks to the passionate, peaceful, and brave participation of the people. A new record of 73.61 percent of eligible voters cast ballots, with 40 percent of those cast being female. The voter turnout was also a new high. A free and fair election was carried out that received overwhelming approval from foreign observers.

In 1952, students led the language movement and established a popular base for Bengali politics outside constitutionalism. In 1954, voters again voiced their independent spirit by supporting the United Front, which demolished the Muslim League in East Bengal elections and framed a 21-point blueprint for regional autonomy. When the new 1956 Pakistan constitution rejected that idea of autonomy, Awami League president Abdul Hamid Khan Bhasani said that if East Pakistan's grievances were not addressed adequately, Pakistan would become untenable for Bengalis. In 1962, after four years of military rule, following Ayub Khan's 1958 coup, a clandestine group of students, called the Bengal Liberation Force, formed a secret plan to develop the idea of a Bengali national revolution.

In the 1960s, economic disparities between East and West increased. The 1965 war between India and Pakistan dramatized East Pakistan's military vulnerability

compared to West Pakistan. On 10<sup>th</sup> March 1969, the Sheikh presented the Awami League's "six-point" federation plan at a Rawalpindi round table conference. West Pakistan politicians rejected the proposal as a plan to dismember Pakistan. On 27<sup>th</sup> March, Major Zia, Provisional Commander-in-Chief of the Bangladesh Liberation Army proclaimed, on behalf of Sheikh Mujibur Rahman, the independence of Bangladesh. The Liberation War followed until independence was fully established on December 16, 1971, and later, Mujib returned from a Pakistani jail and took over the new government. This post-liberation period (1972 - 1990) was marked with many setbacks to establishing a democratic Bangladesh where elected executives were fully or partially responsible.

The Bangladesh Awami League was the country's first democratic socialist administration. The formation of BAKSAL (Bangladesh Krishak SramikAwami League) in 1975 paved the way to martial rule, and a period of bureaucracy followed across two successive regimes: the Bangladesh National Party BNP (1976–1982: General Zia) and the Jatiya party JP (1982–1990: General Ershad). Both of these were autocratic regimes. The BNP, founded by Ziaul Haq, was made up of a wide range of political and military leaders, as well as prominent administrative officials. General Ershad drove it out of power in 1982 by instituting Martial Law and ruling the nation in such a manner that cleared the way for the Jatiya Party to take control. (Azizuddin, 2011). Parties prone to factionalism took power, and all opposing parties were too unorganized and poor to mount a challenge (Ahmad and Ahmed, 1992).

Democratization began after a large uprising in 1990, and the reestablishment of a democratic administration in the nation followed. In reality, the BNP and the Awami League alternated in power, and the public sector operated under the successive administrations led by these two political parties (Azizuddin, 2006; 2008). However, as the first Awami League dictatorship became more authoritarian, it finally replaced multi-party democracy with one-party control, transforming Bangladesh's political system from parliamentary to presidential (Zafarullah, Khan, and Rahman, 2001).

The central committee of the BAKSAL, the sole legitimate party in the nation was bolstered with the addition of prominent government officials. Public administration became politicized as a result of this unexpected transition, which allowed the bureaucracy to become embedded in the political process. Military control was instituted during the BNP (1976–1982) and the JP (1982–1990) regimes before elections were held in 1979 and 1986, respectively. With the emergence of state-

sponsored political parties, military rule became more civilized and the parties easily won big majorities in general elections in the multi-party-political environment (Zafarullah, Khan, and Rahman, 2001:64). In other words, these parties were the "political fortress" of martial dictators (Ahamed and Nazneen, 1988). Civil-military relations were restructured, and key administrative leaders were elevated to cabinet positions. Nominating regime loyalists to important posts in the administration became a benefit of working in the civil service, which had the responsibility to serve the dominant party. It is under these circumstances that the dictatorship built a strong foundation of political support while also protecting its own interests as well as those it served (Zafarullah, Khan and Rahman, 2001).

The bureaucracy's implicit political support for the dictatorship was then abandoned in reaction to public turmoil in 1990, which expedited the collapse of the regime in late 1990 (Ahmad and Ahmad, 1992). The irony is that throughout the democratic era, the BNP and the Awami League fought for control of the country's government. As long as the government's structure was democratic, the manner of governing remained constant. Although a parliamentary form of government was established in 1991, most of the bureaucracy remained unaltered (Azizuddin, 2008). As a result of the absence of political consensus between the BNP and Awami League governments, "the bureaucracy became obviously factionalized along party lines. Some top public workers openly defied the Government with others offering support. The former was penalized by being demoted to insignificant posts, while the latter were rewarded with positions in major ministries as a result of their contributions" (Zafarullah, Khan, and Rahman, 2001). Early in 1996, the "participation of several generalist public workers under the leadership of a strong ex-CSP officer" occurred (Sarker, 2001) in the Awami League protest movement against the BNP administration. Thus, when the Awami League formed an administration in 1996 and in 2009, numerous officials were rewarded, including one who became a State Minister of Planning. Many others were promoted.

As a result, public service responsiveness has continued to be present to varying degrees because of political instability and constant experimenting with different kinds of political regimes. It was thought that a change in the regime's qualities might attract back those who had otherwise faded into obscurity (Heady, 1996). After a phase of democracy that started in the early 1990s, Bangladesh was ruled by either a pseudo-democratic or a civilianized military dictatorship for almost two decades in the

1970s and 1980s. The 'strongman' (Azizuddin, 2011) in power used parliaments as a handy tool because of the authoritarian character of democratically elected politicians and military engagement in politics. In addition to the subsequent bureaucracy, political institutions as with political parties and parliament also remained undeveloped. Bangladesh's politics, on the other hand, has continue to be heavily influenced by labour unions and other worker organizations. They have developed an informal ability to influence management decisions, and political parties have earned their political devotion and support at the organizational, industrial, and grassroots levels (ADB, 2001).

## **4.2 Governments Formations**

Table-1, depicts the political and administrative landscape of Bangladesh. During the military administration that ruled from 1976 to 1982, the primary state policy switched from socialist to capitalist, and there was a tacit cooperation between top administrative and military leaders after the coup in 1975. (Ahamed and Nazneen, 1988). The most important roles in the government's decision-making system were held by top civil and military personnel. It is possible to describe the country's government as a combination of bureaucrats and technocrats (Hossain, 1991). High-ranking officials from the former Civil Service of Pakistan (CSP) formerly held coveted posts such as Divisional Commissioner or Deputy Commissioner (DC) in the country's divisions and districts, and in the country's sub-national level of administration. Consequently, the Bangladeshi bureaucracy, both civil and military, developed as the country's most powerful group (Ahamed and Nazneen, 1988).

Table:1, Political regime in Bangladesh after and before 1991

Timeline	Duration	The Regime	The Fate	The Nature	Politics- Administration Relations
Before 1991	1972 – 1975	Bangladesh Awami League with Mujib	Remove by the military coup	Pseudo-democratic/ personalist	Ruler + Single-party Responsiveness and self-defense/ self-interest.
	1976 – 1982	Bangladesh Nationalist Party with Zia	Leader Assassinated	Civilianized Military	Military + Civilianized military partnership/ subservience to military.
	1982 – 1990	Jatio Party with Ershad	Overthrown by mass upsurge	Civilianized Military	Military + Civilianized military partnership/ subservience to military.
After 1991	1991 – 1996	Bangladesh Nationalist Party with Khaleda Zia	Resigned on opposition demand	Democratic	Major - Party responsiveness plus bureaucratic self-interest with semi-neutral character
	1996 – 2001	Bangladesh Awami League with SkHasina	Transferred power to elected government	Democratic	Major - Party responsiveness plus bureaucratic self-interest with semi-neutral character
	2002 – 2006	Bangladesh Nationalist Party with Khaleda Zia	Transferred power to elected government	Democratic	Major - Party responsiveness plus bureaucratic self-interest with semi-neutral character
	2009 –	Bangladesh Awami League with SkHasina	Transferred power to elected government with some interruption	Democratic	Major - Party responsiveness plus bureaucratic self-interest with semi-neutral character

Sources: Azizuddin (2006; 2008), Malek (2002), Heady (1996), Zafarullah (1996; 2001)

Mujib was a national hero, and the country's founding father. He was the head of the Awami League (AL) in Bangladesh's independence movement. From independence until his assassination in a military coup in 1975, he remained in power. Before his death, he had been leading a dominant-party state until 1975, when he was forced to switch to a one-party state model due to growing resistance to all control. In many ways, his reign serves as a model for future party-states. Mujib, who had been imprisoned throughout Bangladesh's battle of independence, was freed by Pakistani authorities in January 1972 and returned to Bangladesh as the unquestioned leader of both the AL and the country 1972. He was elected president of the nation. Upon his return, he immediately instituted a parliamentary democracy in the Westminster form, positioning himself as Prime Minister. East Pakistan's newly elected National and Provincial Assemblies in 1970 were to serve as the country's constituent parliament in the years after the declaration of independence. The AL won 167 of the 169 seats in East Pakistan, firmly securing the party's position as the major political force in the region. After winning 293 out of 300 seats (and all 15 allocated female seats) in March 1973, AL's dominant-party dictatorship was further established.

It was not until AL under Mujib established a party-state that a pattern that would dominate Bangladeshi history would emerge, despite the existence of several armed organizations, including ex-freedom fighters, leftist rebels, and an assortment of political and non-political robbers. Mujib, and a handful of his cabinet members were in charge of both the government and the party at the same time. First, the AL party operated without a written constitution and made an attempt to completely subordinate the administration and military under its authority. Their first step was to nominate AL party members to positions in the bureaucracy in order to "purge the bureaucracy and replace a patronage system" (Kochanek, 1993). Since the conflict between the political party and the bureaucracy was limited to an intra-bureaucratic AL struggle, the bureaucracy was less of a danger (Westergaard, 1985).

The development of the Jatiyo Rakkhi Bahini, a party-state militia, reveals the degree to which the AL party-state is ruled by its established wings, such as the Sramik League and the Chhatro League (its student fronts) respectively. The AL leadership and Mujib, in particular, intended to form a loyal paramilitary group to bring the situation under control in the face of deteriorating law and order. An internal security force, the Rakkhi Bahini was established in March 1972 and had wide-ranging powers under the direct authority of the prime minister. They were allegedly deployed to seize weapons and thwart arms smuggling; however, others have contended that they did not come into contact with any members of the AL who were armed or involved in smuggling (Ahmed, 1991). They acted brutally and were plainly an extension of the AL party-state in their conduct. They were formed as a party state militia to supplement the (often ineffective) police and the military, as well as to quell the growing anti-AL sentiment. As a paramilitary force of the state, they served their political allies. The Rakkhi Bahini was behind the arrest, abduction, and execution of opposition activists, as well as aggressively disrupting electoral rallies, as the opposition activities increased (Jalal, 1995).

As part of this strategy, the AL party-state also sought to gain more influence over the country's economy. Nationalized 'abandoned' businesses (and subsequently specialized industries like jute) were turned over to the control of the party's backers for administration. Patronage was utilized to get contracts and positions, as well as business licenses and permissions for party members (Kochanek, 1993; Westergaard, 1985). They attempted to create dominance in the workplace by violently pushing out all other unionists via the medium of their labour organization (Ahmed, 1991). Al-



politicians' roles in market management committees were also formed (Ahmed, 1991). According to the country's first five-year plan (1973), the governing party was mandated to develop cadres committed to mobilizing the people in favour of the socialist transition, some recruited from their labour union (Islam, 1977).

Party-state control was therefore established as soon as Bangladesh gained its independence, but consolidation remained difficult due to both a leadership that lacked governance skills and patronage bureaucracy as well as the persistent existence of militias and outlaws in the country's hinterland. Smuggling was also on the rise, this time with AL cadres participating under the cover of their political party benefactors (Ahmed, 1991). Weapons 'from government supplies' were also handed to AL cadres by the party-state in order to help them defend themselves and cement their dominance. Between 3,000 to 4,000 AL activists, including MPs, were slain between 1973 and 1974. (Ali, 2010).

Evidence that the party-state authority and patronage extended as a result of the above actions comes from the ensuing post-independence relocation efforts coordinated by the Village Relief and Rehabilitation Committees (VRRCs). AL officials, except in two instances, exercised their discretion to nominate local AL leaders and supporters to serve on these relief committees, with complete control over the selection process. In addition, there were early disputes within the party over these selections (Blair, 1985; Ahmed, 1991). State (and in this instance, international) relief money has been used for political gain historically when they have been directed via political parties. This allows the party's leaders to strengthen their own authority. Embedding itself and providing patronage, the AL party-state ignored followers of opposing parties and organisations as well as the bureaucratic apparatus.

Resistance persisted, though, and Bangladesh's (party-)state consolidation was far from complete. Mujib abandoned the democratic process and established a one-party-state in the face of rising resistance and escalating corruption in his own party. He wanted to form a single party, BAKSAL (Bangladesh Krishak Sramik AL), with himself as party chairman and president of Bangladesh. Those in attendance would have included both supporters of the AL and those in opposition. Members of both the military and the bureaucracy were also required (Ali, 2010).

In 1974, Mujib changed the constitution and acquired dictatorial powers, under the influence of socialist nations, and particularly the erstwhile Soviet Union. A one-party monolithic structure was imposed on the country's political system and the

basic legislation of the nation was altered. As a result of the abolition of political parties and the closure of all but four publications, the basic rights of citizens were suspended, and the court was reduced to a subordinate agency of the executive arm of the government (Ahmed et al., 1994). This political shift prompted a backlash from western countries, particularly the United States, which sought to influence Bangladesh's socialist inclinations in order to keep the country out of the Soviet Union's alliance. In practice, this was the second time the United States had attempted to undermine Bangladesh's democratic system. While the independence struggle was raging, the United States aided the Pakistani authorities in its efforts to suppress the freedom movement by sharing information. During the liberation of East Pakistan, it had ordered shipments of humanitarian supplies to be towed back.

The party's name was changed to the Bangladesh Awami League (BAL) in 1972 under Mujib's direction. After the independence struggle, the party was beset by internal corruption and failed to heal the nation's wounds. The Nixon administration prevented grain shipments that Bangladesh had previously paid for from entering the nation, while the country kept selling jute to Egypt in defiance of US economic sanctions. Mujib's popularity plummeted as a consequence of the 1974 famine, which claimed the lives of 28,000 people.

During this political fight, Mujib announced a state of emergency when the AL-dominated parliament chose to convert from a parliamentary to a presidential form of government in January 1975. All other political parties were outlawed by Sheikh Mujib, who renamed the League the "Bangladesh Farmers and Workers' Awami League" (Bangladesh Krishok Sramik Awami League, or BAKSAL). Sheikh Mujib became the president of a dictatorship, and BAKSAL served as the regime's bulwark. Following the assassinations of three MPs by the communist insurgency, many members of the opposition, mostly revolutionary communists, were slain or imprisoned. This assault on dissent was assisted by the new Rakkhi Bahini, an elite paramilitary group.

Ziaur Rahman became Deputy Chief Martial Law Administrator in November 1975 and later Chief Martial Law Administrator in November 1976. Later, during his administration, then Major Nurul Islam had brokered an arrangement with the Libyan government and arranged political shelters in Libya for the rebel group (military officers) that was responsible for Mujib's assassination. Furthermore, these military officers were employed in senior positions with Bangladeshi Embassies located in

different countries. Moreover, under the Indemnity Act issued by President Zia in 1978, these assassins were given immunity from prosecution. These attainments and the kindness shown to the rebel group of 1975 obviously begs the question whether Zia was the architect of the initial military uprising in August 1975. This is still unknown, and is the most salient cause of today's rivalry between the two major political parties, even though the incidents took place over three decades ago. Zia then became known as the most trustworthy military commander, one who may be able to stabilize an already unsteady country. He had seized control of the government of Bangladesh after the last remnants of resistance had gone.

After assuming office, Zia was notably successful in establishing three phases of political and economic stability in Bangladesh (Hamid, 1993). When it came to dealing with the radicals, he employed moderate and left-leaning organizations and their leaders in order to weaken their power and prevent a revolution if necessary. In addition, a referendum in 1977, municipal elections in 1977, a presidential election in 1978, and parliamentary elections in 1979 all served to legitimize his position. Zia and his newly formed political party, BNP, achieved landslide victory in the 1977 municipal elections.

A political party alliance was the first stage in constructing his democratic authoritarian administration. In January 1977, non-partisan municipal elections were conducted as a test run. For Zia to secure their support, she used 'more funding for the local councils and patronage' to get people elected who had previously been involved in political parties (Rashiduzzaman, 1978; Westergaard, 1985). His initial attempt to build his own party front, the JAGODAL, failed, but he utilized it to become the country's president (Hossain, 1988), garnering 67% of the votes in contested but likely manipulated elections. Bangladesh Jatiyotabadi Dal (Bangladesh Nationalist Party) was formed in September 1978 for the February 1979 legislative elections. A broad range of philosophically diverse organizations were represented, including Marxists, liberal democrats, as well as retired military officers and officials. Despite the fact that some former AL leaders joined these other groups, they all had an anti-Mujib position. They joined Zia "not because of the doctrine of the party, but for the sake of power, position, and patronage" (Hossain, 1988; Jahan, 2005, pp.25).

In May 1981, a failed coup attempt resulted in Zia's death. The vice-president, Justice Sattar, a non-military man, was elected to replace him in accordance with the constitution. He was elected president in November 1981 with an overwhelming

majority, despite accusations of vote-rigging and brute-force tactics (Ali, 2010). It became evident that without Zia's leadership, the loose alliance of the BNP was impossible to manage. General Ershad, Zia's CAS, stepped in and took over the reins from Sattar in a bloodless coup amid increasing competition for power and rising corruption. After the democratic switchover of 1991, the BNP returned to power. However, in the instance of Zia, the state formed a party, rather than the other way around.

In contrast to Mujib's popular election program, Zia's began as an authoritarian ruler before progressively attempting to develop an electoral platform. When it comes to party-state, the results were almost same in both situations. Democracy, in an authoritarian form is built up in a party-state with overlap between government and party activities. This involves the employment of party wings to promote party-state programs across the nation and the use of state resources to cultivate loyal (and armed) followers in the countryside.

After several months of turmoil Ershad took over the government, declared martial law and suspended the constitution. This third wave of crisis of democracy, after the second wave led by Zia, establishment of a democratic political institution. This was deepened further during Ershad's period. Ershad ruled the country for a significant period of time 9years. (Ahmad, 2005). During this time, leaders in both civil and military arenas were privileged and this created a further crisis of democracy. Furthermore, these military operations exacerbated democracy by attempting to mould the laws and events to their own designs, overlooking the essential necessity for the development of democratic institutions, and failing to offer the commitment necessary for accelerated economic progress. Political institutions, which had been mostly destroyed from a democratic viewpoint, were utilized throughout this lengthy period of military control (1976-1990) to help transform the country's political party system into a constitutional democracy (Ahmad, 2005). As a result of repeated restrictions on political activity, the power and coherence of the main political parties were weakened. Political parties of other philosophies and platforms, on the other hand, were founded by money and had the power to offer legitimacy to the military rulers' election.

Autocratic control was also used by his successors, and the majority of players were military officers who took power during different crises. Consequently, subsequent governments developed single-party systems, supporting military interests, with the leader having near total authority. Moreover, Ershad's regime had allowed the

1975 - massacre killers to be retained on the payrolls with minor changes to their employment locations. However, the fight for democracy in Bangladesh was still going strong in the late 1980s. There were too many different political movements and interest groups in the country for the single-party system of the 1970s and 1980s to meet their demands. Even though they represented opposing ideas, and were as resolute in their refusal to share power as the government, opposition parties were still an important component of the political landscape.

Political parties with a wide range of views on the future of Bangladesh, including socialist and communist parties, centrist parties based on policies of defunct regimes, and conservative Islamic parties, all vied for power in the late 1980s, all united in their opposition to President Ershad's rule. Ershad, the military dictator who had taken control in 1982, was forced to rely on illegal operations and protests on college campuses and in metropolitan centres, which frequently halted commerce. The ineffectiveness and hostile posture of the opposition further increased the regime's grip on Parliament and the public service, allowing the military to retain its strong authoritarian control.

It is remarkable that the dictatorial military rulers of Bangladesh have been defined by their democratic values and the Constitution in their policies. When Ershad took power in accordance with the Constitution, the assertion that he had provided stability to the nation and so ensured democratic freedoms was his justification. One of Ershad's most important democratic initiatives was the implementation of a voting system for local council members, which enabled citizens to choose their own representatives. Initially, this democratic reform gave local elites more power over government patronage and made them more willing allies of the regime's wilful oppression. Although the local councils had become training grounds for emerging political leaders and arenas for democratic struggle throughout the country by the late 1980s.

Ershad attempted to follow Zia's model to a significant degree. Martial Law was initially used to solidify his control, and then he worked to achieve legitimacy by creating and convincing other parties to participate in elections on his own platform the Jatiya Party, (JP). His efforts to consolidate party political dominance were less effective. Ershad, on the other hand, lacked the personal credibility that Zia had, and he was unable to take advantage of the BAKSAL incident to make his transition to party politics a success. For this reason, the JP was never able to create a party structure that

was as robust and wide-reaching as those of its adversaries, the BAL or the BNP. The Ershad era in Bangladesh reveals the immense attraction and the constraints of party-state political organizations. Much of Ershad's policy was modelled after Zia, as previously stated. When he took the helm in December 1983, local Union Council elections were held soon afterwards, followed by municipal elections in Dhaka and Chittagong. The prohibition on political activity had been eased by then, but he reinstated it under full martial rule in November 1984 after violent clashes with opposition activists. Ershad won the referendum by an overwhelming 86% margin, while the opposition refused to participate in polling. However, the BAL and the BNP persisted in mounting an opposition and engaging in street politics. These were frequently violent, that the dictatorship was unable to control them.

Ershad subsequently set out to form his own political party, and like Zia before him, he attracted a diverse group of supporters, including AL and BNP leaders who had defected. It was on January 1, 1986, that the many factions of the JP were unified into one new organization, the Janadal. The BNP abstained from voting in the May 1986 parliamentary elections, which saw the AL join in at the last minute. AL was able to get 76 seats, while JP was able to secure 153 seats in a 300-seat parliament, despite claims of vote manipulation. With the backing of both minor parties and independents, and with control over 30 designated female seats, Ershad was able to take complete control of parliament. In spite of this, the high score of AL and the comparatively low score of JP indicate that there was less consolidation of Ershad's authoritarian democratic rule than first thought. New elections were proposed by Ershad in March of 1988. JP was able to get 252 seats despite the fact that both the AL and the BNP chose to boycott the elections (Bertocci, 1986). He continued to depend mostly on the military for his support.

Despite this, Ershad made several attempts (many of which were failed) to establish a party state. He held the posts of party chairman and president at the same time. As a result of its prominence as a mechanism for patronage and the availability of state resources, the party attracted both AL and BNP members looking for political capital. The party front, on the other hand, did not assist him to achieve public acceptance. Even by Bangladeshi standards, the Ershad party-state was extremely corrupt, relying almost entirely on patronage to attract (non-military) adherents (Ali, 2010; Kochanek, 1993). Corruption led to contracts and licenses being awarded to party members even though Ershad's ideas about privatization and business-party links did

not seem to be as direct as they were under Mujib (Kochanek, 1993). Mujib and Zia possessed strong party-state leadership, but Ershad entirely monopolized the decision-making process. The primary purpose of the party was to serve as a link between elected officials and the federal government. Donor financing was critical; hence these funds were highly sought after (Ziring, 1992).

After taking office, he began by attempting to dismantle the BNP's political structure. Recognizing their importance, he dissolved the Gram Sarkar and dismantled the Youth Complexes (Ziring, 1992). When Ershad formed the Upazila, a new administrative division, he wanted to create an autonomous group of local leaders affiliated to the JP, which he hoped would extend his grip over the countryside, like Zia. To Ziring (1992), the Upazila was not merely an administrative entity, but its elected head which also had ties to the government at the national level. To construct the party-state, Upazila's elections of May 1985 saw a resounding victory for Janadal's (a predecessor to JP) candidates. Party candidates were elected with the use of state resources (Ziring, 1992), and unofficial AL and BNP candidates took home between 20 and 25 percent of the positions (Bertocci, 1986). Ershad's party had a large majority of those chosen to chair proceedings the first time around (Sarker, 2003). Elected party members and their clientele reaped significant state resources as a result of the resources coming to Upazila (Bertocci, 1986; Schroeder, 1985).

Developing the party's wings was less effective for Ershad; nonetheless, he also founded student, youth, and labour organizations. His problem was that the AL and BNP wings had already established strongholds, making it impossible to create a competing network in the face of persistent opposition pressure (in which these oppositions wings played crucial roles). The employment of automatic firearms by JP's student wing in violent conflicts with other student activists at Dhaka University - the epicentre of political action – escalated the danger of the confrontations (Ziring, 1992). After a bloody battle in 1986, the Jatiya Chhatra Samaj, Ershad's student wing, was expelled from campus by opposing student organizations (Ziring, 1992). It was not possible for Ershad to govern labour as well as the AL Sramik League had been able to because of its aspirations to denationalize and liberalize the economy.

Anti-Ershad sentiment grew in the wake of the possibility of fresh presidential elections in 1990. Street demonstrations were organized by the BNP's Khaleda Zia and her student wing Chhatro Dal who won the Dhaka University Central Students Union elections against JP's student wing. This was a major victory for her organization. A

nationwide movement against Ershad was initiated with student activists spearheading the protest and bringing together Khaleda Zia and Sheikh Hasina, the daughter of Mujib, the leader of AL. The military, which had previously supported Ershad, but had begun to distance itself from politics, chose to remove its support. General elections were held in February 1991 when Ershad stepped down from office. However, because party organization was not the Ershad regime's strength, it never achieved the status of either the AL or BNP in Bangladeshi politics.

In December of 1990, the Ershad regime was toppled by a popular civil movement, which was led by alliance political parties where AL and BNP worked side by side, which was probably reinforced by the military elites' decision other than withdrawing its supports from regime (Halim, 1998). A new era of democracy and constitutionalism in Bangladesh began after the country was liberated from military control, and the people's longing for democracy finally ousted autocratic ruler Ershad.

Both Khaleda Zia and Sheikh Hasina rose as heads of the BNP and AL after the Ershad decade. When they were first elected to the House of Representatives, they led their respective parties and were elected to the office of Prime Minister. A party-state democracy emerged in which both Zia and Mujib's parties ruled consecutive party-state regimes, with competitive elections ousting the incumbents in most cases. During this time, the party focus on student, and trade union wings controlled political and economic life and directed state resources, while the party-in-power attempted to take over all state institutions.

Election loss sets in motion a broad takeover of political and economic institutions by the party in power's political and economic branches. The student wing takes over campuses, including Dhaka University, brutally evicting their predecessors from their positions of power. Market committees linked with the incumbent, as well as the leadership of transport owners' associations were reshuffled. Similarly, the victorious party's employees or union activists seized control of workers' groups, and trade unions seized control of economically significant sectors like ports. Strongmen like mustangs, who often participate in semi- or illegal activities while supporting political patrons and helping to keep order in certain areas, might have had their appearance altered depending on their political allegiance. In the aftermath of a loss, those linked to the regime's demise often attempted to stay out of the public eye, or even leave the country temporarily.



Party activists took over critical posts in the bureaucracy, which could not be replaced in full, since recruiting procedures favour individuals viewed as aligned with the party in power (Huque & Rahman, 2003). In the police force, a similar pattern can be seen, with new recruits providing supporters with a high-status state job as a reward for loyalty. Funding for development and other governmental resources is often routed via legislators or ministers before it reaches the intended recipients. Government finances may be cut off from opposition strongholds, and budget distribution can be redirected to those regions where the opposition has been able to maintain its power.

According to the armed instabilities of Mujib's administration and Zia's many coup attempts, the party-state has developed most in the present democratic era because of the consolidation of both parties and their branches. To make their points known, the opposition and the incumbent both quit parliament and turned to street politics when they are no longer in power to protest the incumbent's takeover of the state. They took control, but immediately begin the same party-state takeover effort, firmly embedding the party-state in Bangladesh's political structure.

There have been instances when the incumbent government has attempted to use its political dominance to move towards an authoritarian democracy despite the presence of competitive elections notwithstanding the party-state democratic paradigm. Khaleda Zia and Sheikh Hasan were both imprisoned on corruption charges under a military-backed caretaker government (2007–2008), which strayed from party-state control. As a result, the opposition boycotted both the 1996 and 2014 elections, which were organized by Khaleda Zia, and as recently as 2014 by Sheikh Hasina (both of whom have been in power since then), respectively.

Elections were held without a caretaker administration in 1996, which resulted in large-scale protests and a boycott by BAL. Since there was no BAL and only around 10% of eligible voters showed up at the polls in 1996, the election was a foregone conclusion. There were 207 seats up for grabs, and the BNP was victorious in 205 of them (Ali, 2010). The caretaker system was firmly established in the constitution as a result of widespread street protests that included government servants and members of professional associations. New elections were conducted in June 1996 under the caretaker system, and 74% of eligible voters participated. Even though the AL party only garnered 146 seats, the bulk of the designated seats for female legislators went to the AL party, giving it a comfortable majority in the House (Ali, 2010). For the first time ever, the BNP had attempted to establish a democratic authoritarian party-state by

constitutional but illegitimate methods, but their efforts had been in vain. The fact that the winning BNP dictatorship had no claim to legitimacy was critical.

Though the prime responsibility of the Interim Government was holding a free, fair and generally accepted National Election, the Fakhruddin Interim Government had passed a number of forms including an anti-corruption drive, various reforms in administration and the legal fields and reforms to politics. The Election Commission was also running through their declared 'roadmap' for National Election. As a result, the activities of the government become vast, complex, difficult, and complicated. Indeed, the prime duty of the government was questioned by citizens. It was not clear if the government intended to hold a parliamentary election acceptable to all political parties and communities of the nation and society within the time declared in the roadmap.

After restructuring the Election Commission, the government and the Commission had agreed to prepare a competent voter list within a possible short period and hold a national election on or before December 2008. In the election scenario of Bangladesh, the issue of local government elections was also evolving as important. In Bangladesh, local government refers to six City Corporations, the Municipalities and the Union Porishads (councils). Most of the local government bodies were also due to hold elections. For this reason, the Election Commission was thinking of holding an election to local bodies in the time frame mentioned in election 'roadmap', which took them so long to redesign (Yasmin, 2018).

As a result of the long 'roadmap' of the Election Commission, the anticorruption drive of government, the detention of top political leaders and other initiatives of the authorities created scepticism amongst the nation's politicians. As a consequence, politicians of major parties demanded a dialogue between political parties and government. The government also had a feeling that a dialogue could be helpful to resolve many political, legal, ethical, administrative and constitutional problems and issues. One or more advisors to the Interim Government had already advised that even post-election issues could, and should be discussed in dialogue with political parties. The heavyweights of the major political alliances and parties were also talking about the method and conditions of such dialogue. (Yasmin, 2018)

Since the authorities had good intentions to conduct elections to local government bodies prior to the parliamentary election, the election commission stuck to their 'roadmap'. Since the politicians agreed to resolve a number of national constitutional

problems, a dialogue was seen as essential between the Interim Government and the political parties of the country.

With enormous cooperation from international communities and based on efforts from various segments of the administration, the Interim Government successfully held a peaceful, free and fair general election on December 29 of 2008. The results of the election confirmed the constitutionality of Article 7 and made it legally obligatory (1). According to the text of the Constitution: “All powers in the Republic belong to the people, and their exercise on behalf of the people shall be affected only under, and by the authority of, this constitution”. It was President Iajuddin who praised Hasina and encouraged her to establish government as the majority leader. As per Article 56(2) of the Bangladesh constitution, Bangladesh's President administered the oath of office to Sheikh Hasina as Prime Minister in the Darbar Hall in Bangabhaban on January 6, 2009.

Table: 2, Political regimes in Bangladesh

Name of regime	Person	Period
Parliamentary democracy	Sheikh Mujibur Rahman	1971 to 1975
Military regime	Ziaur Rahman	1976 to 1981
Military regime	General Ershad	1982 to 1990
Caretaker Regime	Chief Justice Shahabuddin Ahmed	1991
Parliamentary democracy	Begum Khaleda Zia and Sheikh Hasina	1991 till 2022

Source: Author adapted table base on, M. Gyasuddin,2000, Bangladesh Political Regime

Based on the above table there are five political regimes that are recognized in Bangladesh. Parliamentary democracy was established by Sheikh Mujibur Rahman after the war in 1971. Parliamentary democracy gave people right to vote. It protected freedom of speech, and identified parliamentary members as decision makers. Before 1971 it was not possible to talk about right. After 1971 the political conditions in Bangladesh were stable, but economic conditions were poor. Sheikh Mujibur Rahman tried to address these economic problems. For sixteen years after this period, Bangladesh was under a military regime. Throughout the era of this military regime Bangladesh’s economy moved slowly, and people lost the right to vote

After 1976, Bangladesh faced a number of challenges with its democracy under military dictatorships and authoritarian governments. Social business efforts then started to be regarded as an important component of the process of shaping economic development. However, with the establishment of a military regime in Bangladesh, the work of social business, and third sector organizations and good governance became increasingly difficult (Naushin Parnini, 2006). Social business activists working on emerging concerns including climate change, gender equality, international migration, and governance were amongst the non-state players that Bangladesh sought to accommodate. Social business introduced structural adjustment programs like economic development throughout 1976 and 1991, when economic and political liberalization was under intense external pressure. There are several reasons why social business influence has led to changes in economic development, including economic direction-setting and infrastructure construction. A fresh awareness of the human and financial consequences of unemployment, infrastructure ruin, and increasing levels of criminality has emerged among popular movements, social business activists and non-governmental organizations (NGOs). the section below considers the caretaker regime in Bangladesh

The fact that a nonpartisan Caretaker government was mandated by the constitution in Bangladesh shows that something is amiss with the usual operation of democracy, which calls for general elections to be held by an independent election commission even while an elected party is in control. A party or parties may be able to gain the confidence of other parties in Bangladesh if they know for sure that the party or parties in power are manipulating the election for their own benefit. Political parties in Bangladesh are distrustful of each other because of this culture. The Caretaker administration is unquestionably the solution to the current climate of distrust. While this system may be relied upon to conduct fair elections, it will never be sufficient to restore democracy to Bangladesh. If this trend continues, it will be a burden rather than a gift to the country. Past military administrations have been made possible by the failures of political leaders. Some politicians disagree, yet it is true that both their incapability to govern the country and their corruption are largely responsible for its current gloomy political, social, and economic situation. They may, of course, not agree. People in Bangladesh understand that strong, well-functioning democracies are built on the characteristics and traits of their leaders. Selfless service is also professed by political leaders. People in Bangladesh today recognize the importance of good

administration, the rule of law, and freedom of the press as pillars of a healthy democracy. In order for change to have any impact, the country has to have the political will to keep pushing for it, and to practice participatory and responsible politics. With these struggles and rapid progresses in establishing democratic institution in a short period of time, over forty years, Bangladesh has witnessed the early stages of democracy alongside socialist movements, army dictatorships and then re-establishment of democracy. Bangladesh is now a unique nation in the globe, and no other nation has witnessed these stages in such a short period of time. (Yasmin, 2018)

A formal democracy is a reality in the present Bangladesh with its multi-party system and representative parliamentary form of government. The democratic system and public policies through various rights to equality and equal opportunity are aiming to promote socio- economic transformation of a society marked by hierarchies of various kinds with principles of protective discrimination.

### **4.3 Governance and Good Governance**

Governance is the collection of the many different approaches that individuals and organizations, both public and private, use to manage the problems that they share with one another. It is a process that is continuous and involves accommodating opposing or differing interests in order to carry out cooperative activity. It is comprised of official organizations and regimes that possess the power to force compliance, as well as informal agreements that people and institutions have either accepted to consider to be in their best interests. Governance is a process that involves both public and private sector participation; it depends less on control and more on collaboration than other management strategies do. In addition to this, it is not a formally established institution, but rather a continuous conversation between the two parties (1999, 2000). Government is the main player in this process. It holds the control of driving forces in the society. Governance comprises of policies, laws, and interactions with different pressure- and interest groups, and the participation of citizens in the decision-making process of the government (Hoque, 2013, p.3)

According to a broad definition of governance, "governments, corporate stakeholders and non-profit organizations work together to execute policies" (Sarah Forberger, 2014). To summarize, the Levi-Faur concept can be categorized into the following four categories: governance as a structure, governance as a process,

governance as a mechanism, and governance as strategy. Governance as a structure describes the formal and informal institutions involved in decision-making, while governance as a process refers to the dynamics and leading functions that take place during the process (Levi-Faur's, 2011)

Government, according to UNESCAP, is a process through which choices are made and executed or rejected. Corporate governance, international governance, national governance, and municipal governance are just a few examples of how the term governance may be employed. Governance was also cited by UNESCAP as a player in government. Formal and informal players engaged in making choices, as well as the mechanisms in place to help make and execute those decisions are the subject of a governance study, which also examines how those decisions are implemented.

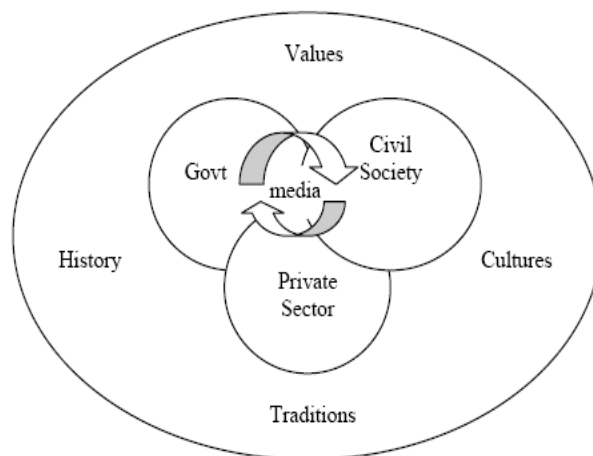
Some key theories of governance have been proposed by World Bank. They assert that governance refers to a collection of organizations and individuals who are both part of, and apart from the government. State and government authorities are questioned, and the idea that government is not a state's exclusive source of power is put forward in its place. If the public recognizes the influence that a governmental or private institution wields, it is feasible for such an institution to gain prominence as a power centre. Governance recognizes the blurring of borders and roles in order to solve social and economic challenges. Such as private sector organizations and voluntary groups, private sector organizations and groups are taking on more and more tasks that had previously been the exclusive domain of the state. It is as a consequence of this trend that the lines between the public and private sectors, as well as between them, are becoming more blurred.

The concept of governance recognizes the power dependency that exists between institutions that are engaged in collective action. In terms of the specifics of collective action, every organization must exchange resources and negotiate a common objective with other organizations in order to achieve its goals. This exchange is not only influenced by each organization's resources but is also influenced by rules and the environment in which it takes place. Governance recognizes the capacity to function efficiently without relying on the power of the government to command or exercise its authority. In the realm of public affairs management, additional management strategies and instruments are available, and the government is obligated to make use of them in order to exercise control and direction over the realm of public affairs (Stoker 1999). It is possible to think of governance as a phenomenon in which different types of

stakeholders collaborate to develop and execute public policy. There are a number of factors that contribute to this kind of governing, including the rise of new players, both public and private, that the state must interact with, and the demise of hierarchical models of government (Engelen and Laan, 2012).

Governing refers to the many ideals, conventions, procedures, and organizations that enable a society to direct its own growth and settle its many conflicts, both formally and unofficially. At the local, national, regional, and global levels, it includes not only the state, but also civil society (economic and social players, community-based organizations and unstructured groups, the media, and so on). The graph below illustrates the national level of governance.

Figure: 1, Governance at the national level



Source: Hye (2000) Governance: South Asian Perspectives, Dhaka.

Good governance, a term that came into vogue in the 1990s with the World Bank leading the charge, has assumed the status of a mantra for donor agencies as well as donor countries for conditioning aid upon the performance of the recipient government. This is intended to ensure that development assistance is used effectively. The rationale with good governance is that combating corruption, nepotism, bureaucracy, and mismanagement and transparency, accountability, and proper procedures can be effectively used to achieve the objective of reducing poverty (Doornbos 1995)

Good governance appeared on the World Bank's agenda in 1991 as one of the themes of the Bank's Annual Development Economic Conference. Indeed, the title of the conference was "Good Governance" (World Bank 1992b). In terms of the relationship between development and governance, the Bank indicated that the manner

in which power and authority are exercised for development “in the management of a country’s economic and social resources” is central to governance (World Bank 1992a, 1). In addition, as former chief economist of the Bank, Joseph Stiglitz acknowledged in 1999, a shift toward “broader objectives, entitling more instruments, than was the case earlier,” occurred with a change of views about development in the World Bank as well as in the development community. Past performance cannot be an effective indicator and guide to future performance. To enable the success of governance reforms, the state and governing institutions must be reformed and strengthened. Effective democratic institutions must be established, and effective participation, strengthened accountability, and enhanced rule of law instituted to ensure sustainable good governance. (Hansen and Tarp 2000).

The way authority is exerted in managing economic and social resources is known as governance. The form of political regime is absolutely key to these. To manage a country's economic and social resources for development, a government must follow a certain procedure. It must have the capacity to develop and execute policies and carry out its responsibilities.

Table 1: Definitions of Governance and Good Governance

Governance	Good Governance
Governance means the manner in which power is exercised in the management of a country’s economic and social resource for development	Good governance is epitomized by predictable, open and enlighten policy making; a bureaucracy imbued with a professional ethos; an executive arm of the government accountable for its action; and a strong civil society participating in the public affairs; and all behaving under rule of law
Governance is the capacity of a country’s institutional matrix (in which individual actors, firms, social groups, civic organizations and policy makers interact with each other) to implement and enforce public policies and to	Good governance involves the self- organizing and interorganizational networks characterized by interdependence, resource-exchange, rules of the game and significant autonomy from the state



improve private sector coordination	
Governance presumes a perspective on politics and government, a way of thinking about how things happen in a polity	Good governance means the effective management of a country's social and economic resource in a manner that is open, transparent, accountable equitable
Governance means those measures that involve setting the rules for the exercise of power and settling conflicts over such rules	Good governance is the exercise of economic, political, administrative authority to manage a country's affairs at all levels. It encompasses mechanisms, process and institutions through which citizens' groups articulate their interests exercise their legal rights, meet their legal obligations
Governance means how people are ruled, how the affairs at the state are administered and regulated; it refers to a nation's system of politics and how these functions in relation to public administration and law	
Governance refers to the strategy, tactics, process, procedure or programme for controlling, regulating, shaping, mastering or exercising authority over others in a nation, organization or locality	

Source: Hasan, 2019

Table 2: Compared governance and good governance

Governance	Good Governance
Governance is a method to lead or direct society and the state towards the achievement of collective goals. It is also the process of making and implementing related decisions	The phenomenon of good and viable governance logically derives and flows from the concept of governance
The exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanism, process and institutions through which citizens and groups articulate their interest.	Good governance is a relatively wider concept which is aimed at providing material conditions and collective self-actualization to individuals.

Source: Ruqia Kalsoom, 2020)

Seven aspects of good governance by organization of economic co-operation and development (OECD)

1. The promotion of democracy and open pluralistic societies
2. The Strengthening of transparent, accountable, efficient and effective national and local government
3. The promotion of respect for human rights
4. The reinforcement of rule of law, including fair and accessible legal and judicial systems
5. The promotion of independent media and the dissemination of information
6. Anti-corruption initiatives
7. Efforts to reduce excessive military expenditure

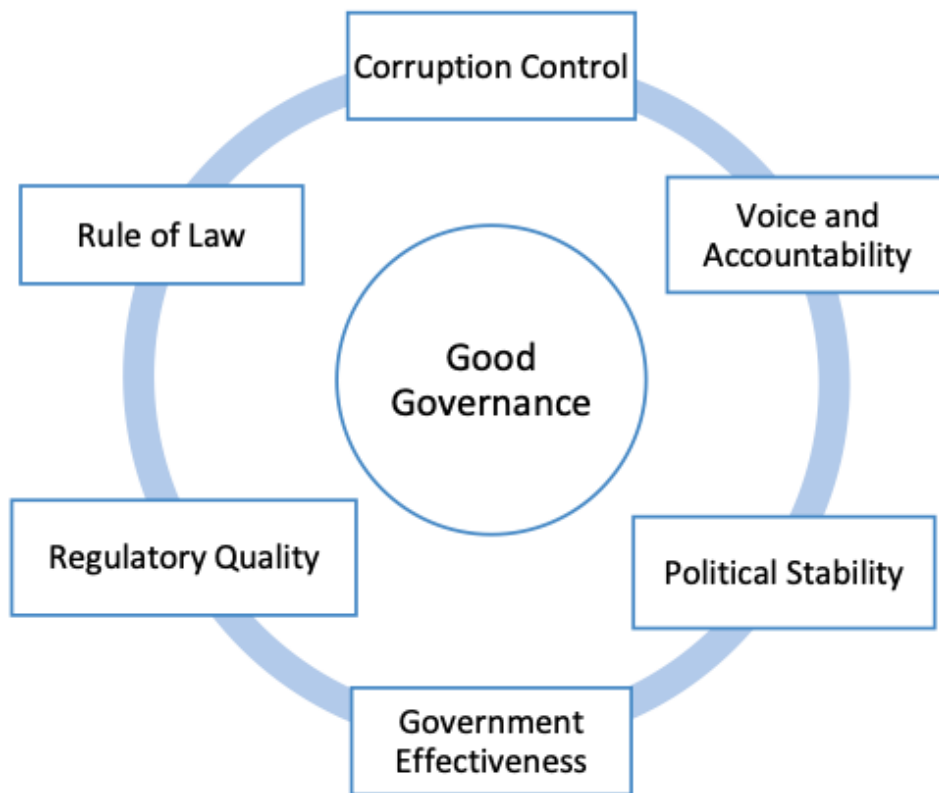
Figure: 2, Parameters of Good Governance



Source: Dhiraj Kumar nath, 2004

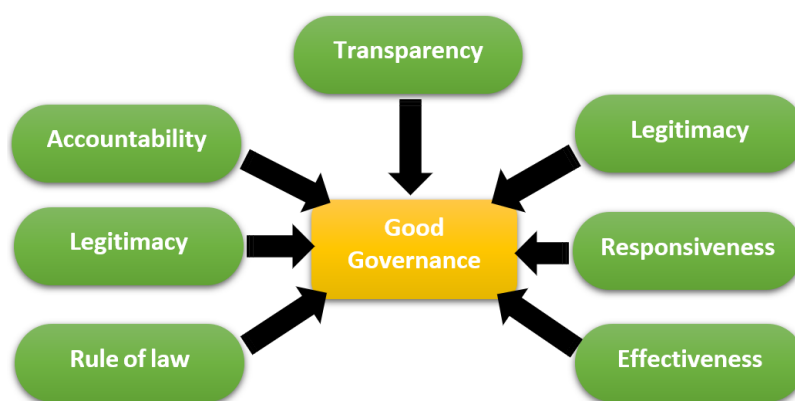
Worldwide Governance Indicators (WGI) are a research dataset that measure the nature and quality of governance. These are used by countless organizations, citizen and expert observation respondents in both developed and under-developed countries (Kaufmann, Kraay and Mastruzzi, 2010). The WGI measures six broad dimensions of governance for over 200 countries and territories, and it was used principally over the period 1996 to 2018. The WGI is illustrated below

Figure: 3, Parameters of Good Governance



Source: The Worldwide Governance Indicators, 2021)

Figure 4: Parameters of Good Governance

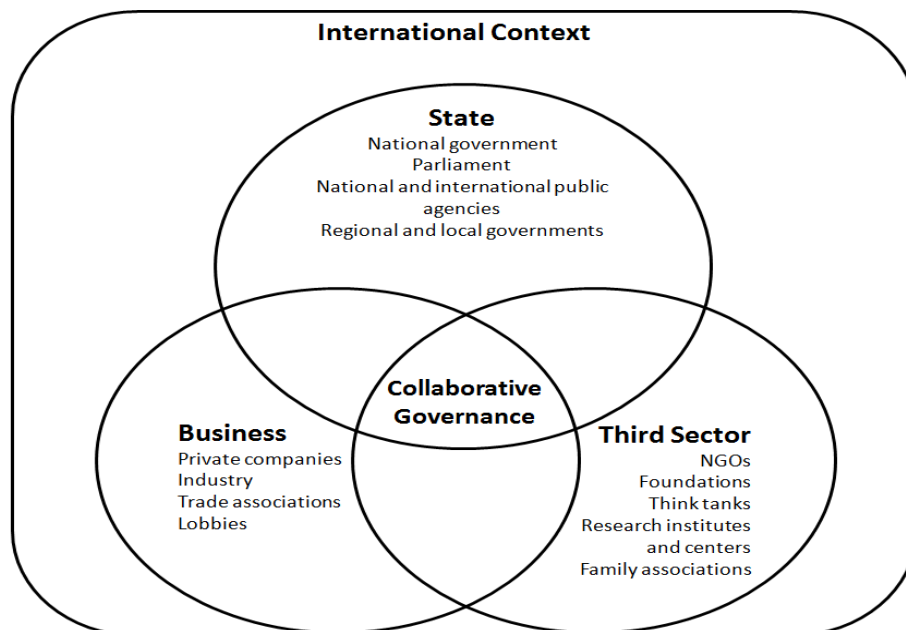


**Source:** Keping, 2018, Good Governance

The key to successful political administration is the active and constructive interaction between the state and its people, which is the essence of good governance.

It is only when people have enough political power to take part in elections and policymaking and administration and oversight that they can help to develop public authority and order. Democracy seems to be the only viable system for ensuring that people have full and equal political authority. Consequently, democratic government and good governance are inseparably linked. When an authoritarian system is functioning optimally, excellent government is conceivable, but good governance is not. It is impossible to have good administration outside of a free and democratic political system. To put it simply, good governance refers to an administration process that optimizes the public's interest. Another perspective is that governance is an interaction between the political state and civil society.

Figure 5: Collaborative Governance



Source: Ysa, 2014, Collaborative Governance

The idea of collaborative governance is summarized in the above diagram. Governance is the interplay between government, non-profits, and private businesses that creates collaborative activity. It affects how the international setting impacts each of these sectors. It is impossible to ignore the importance of international organizations and ad hoc ties between governments in today's interconnected world. As a result, it is “co-produced by a wide range of actors at state level (e.g. ministries, parliaments, agencies, authorities, and commissions), society (e.g. businesses, citizens, community

groups; global media including networked social media; foundations) and supranational level (e.g. the European Union, the United Nations)" (WHO, 2011).

Figure 6: Social Business Model



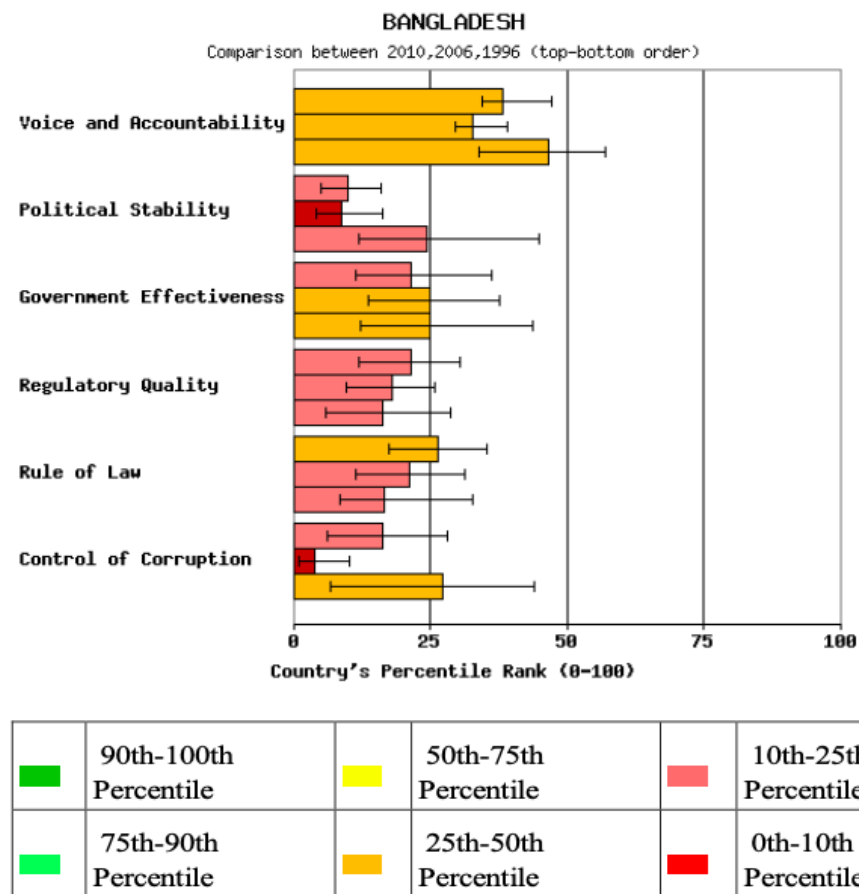
(Source: Duflo, 2012)

Esther Duflo's model is described in detail in chapter one. Ysa *et al*, 's (2014) collaborative governance model illustrates how the third sector works towards the development for social business and rural development

#### 4.4 (Good) Governance in Bangladesh

Bangladesh has in place a basic infrastructure for good governance, but it is not well utilized (Miazi, 2021). Effective democratic governance continues to be the elusive goal that the nation cannot seem to attain (Khan, 2002). The current state of governance in Bangladesh is illustrated in the following table, which clearly indicates Bangladesh's performance on good governance criteria between 1996 and 2010.

Figure:1, Bangladesh governance indicators



**Source:** Kaufmann D., A. Kraay, and M. Mastruzzi (2010), *The Worldwide Governance Indicators: Methodology and Analytical Issues*

Kauffman (2011) demonstrates the state of governance in Bangladesh indicating its percentile ranking on various good governance criteria. Bangladesh's governance score amongst 213 other countries is indicated above according to governance indicators. The data would suggest that good governance is a long way off in Bangladesh.

Table :1, Good governance percentile rankings for 2000, 2010 and 2018.

Governance Indicators	Ranking of Bangladesh in percentile rank in 2000	Ranking of Bangladesh in percentile rank in 2010	Ranking of Bangladesh in percentile rank in 2018
Voice and Accountability	Lowest 41.5	Lowest 31.4	Lowest 22.16
Political Stability	Lowest 26.9	Lowest 6.6	Lowest 8.09
Regulatory Quality	Lowest 39.4	Lowest 14.9	Lowest 10.57
Government Effectiveness	Lowest 38.3	Lowest 21.1	Lowest 12.0
Rule of Law	Lowest 26.4	Lowest 19.8	Lowest 17.7
Corruption Control	Lowest 40.2	Lowest 7.9	Lowest 11.5

(Source: Kaufman, 2011)

The table shows good governance percentile rankings for 2000, 2010 and 2018. In 2000, the good governance rate was low, and in 2010 it was less than the lower middle measurement. In 2018 it was very low at a time when Bangladesh saw some stability in terms of good governance. Governance measures the ability of nations to foster development. Hoque, 2018, identified these challenges in his report. To ensure effective governance to foster economic development in Bangladesh, there is a need to address certain pressing issues. These are: judicial reforms, creating strong and democratic institutions, combating corruption, the decentralization of administration and authority, financial management, increasing the public sector's efficiency, and project management and public procurement. The regulation of the private sector is also key, as is poverty reduction, empowering women, fair equity based on the distribution of resources, political stability and the digitalization of the public sector

To make governance effective in order to foster its development in Bangladesh, a set of visionary policies and good governance is required. Hoque identified a need for Bangladesh to plan the goals that it wants to reach. Bangladesh should consider the following key points: 1) the promotion of e-governance in all outlets to strengthen



partnerships between government and non-government organizations. An example is the Grameen bank and Grameen bank institutions. 2) effective utilization of public private partnerships, making bureaucracy more effective and efficient through training and motivation 3) enhancing transparency and the freedom of information, 4) making parliament effective and pro-active 5) the consolidation of democratic institutions 6) the strengthening of local government systems 7) the decentralization of services, 8) efficiency in project management, 9) strengthening the election commission, thus paving the way for a booming private and media sector, 10) facilitating small and medium enterprises 11) making strategic plans for the near and far future.

Political stability is a variable of great importance in a country's evolution since, across time, it has been identified as the cause of lower levels of economic growth. Poor stability is also a consequence of poor economic development (Radu, 2015). Radu also argues that political instability has a negative impact on economic growth. Political stability is operationalized in different ways and, across time, it can cause lower levels of economic growth. It is also a consequence of poor economic development. The above table Bangladesh corruption compare underscores political stability as a measure of perceptions regarding the probability that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism. Therefore an unstable political environment will reduce investment and the speed of economic development, and will increase the probability of a government collapse and political unrest (Alesina *et al*, 1996).

In terms of the rule of law index, across time, it has been shown that countries with a strong rule of law are characterized by low levels of political instability. In the political regime in Bangladesh there is no political stability which is why economic and other development is very slow. As the above table shows, political stability control rate was 8.9 %, 2018. The political regime table shows activity, between 1971 and 2022. The regime was put in place after the nation's post-war liberation as the country began to move slowly towards recovering its economic problems, led Mujibur Rahaman. The lack of good governance halted this process in 1975, and so good governance is still absent in Bangladesh. Political disorder increases corruption and this impacts on laws and rules. For Bangladesh, this has meant the crystallization of a one-party government over the last 10 years with no legal election. The ruling party has its own style election which means opposition parties cannot participate in elections. The graph, shows corruption control levels in 2018 in Bangladesh were at their lowest level historically.

Duflo also identifies good governance within the social business model. The third sector plays a role as a key economic development agent to empower women in Bangladesh as an example of social business.

Based on the above three tables of good governance a few similar key points can be made. The rule of law, corruption control, political stability and voice and accountability are based on the rule of law, good governance and political stability. In Bangladesh there is no freedom of voice in the media, and in the third sector which is controlled by government. This is why the media cannot provide unbiased news in the public domain. The above table also shows the governance challenges for development in Bangladesh.

Hoque identified a number of challenges with the regulation of the private sector to do with poverty reduction, women's empowerment, equitably distributed resources, political stability and the digitalization of the public sector. These are significant challenges for government because political disorder creates the conditions for the non-regulation of the private sector. This is why the private sector works towards poverty reduction and the empowerment of women. Bangladesh has a one-party government that fully opposes good governance currently. The biggest challenger for good governance in Bangladesh is political stability. Only neutral democracy can support good governance in Bangladesh. Social businesses work towards poverty reduction and to empower women, but the lack of good governance in Bangladesh compromises these efforts. Based on the above tables and data it is clear that good governance in Bangladesh is a long way off.

The lack of good governance has impeded Bangladesh's ability to achieve an optimal trajectory of development, and its socio-economic achievements may be termed as a development paradox. According to western notions, good governance is not enough for Bangladesh. For example, Bangladesh is still at the top of the corruption perception index reported by the World Bank, despite having a multiparty democracy inside the country. Thus, in many societies, including Bangladesh, multi-party democracies have yet to translate the basic principles of good governance into reality. Here lies an important role for social business and the role of NGOs which work to ensure not only democratic values but also a societally integrated indigenous notion of good governance. If a Bangladeshi government desires to take steps against corruption and towards transparency under international pressure, civil society, as the third leg in a new governance structure, can be a potent force capable of creating the necessary

additional pressure on government to give it the incentive to take those steps. This idea is not always popular with certain segments of society, but it is key to combatting corruption effectively, and to ensuring good governance.

The third sector is considered a subset of social organisations in the modern world. In Bangladesh the emergence of the third sector or NGOs lags behind state building and development quite significantly. The lack of a relationship between government and the third sector has led to the use of artificial means to close this gap. Therefore, social business organisations in Bangladesh took the shape of NGOs (Chowdhury, 2000), and they borrowed from the advanced countries of the West to accelerate the growth of NGOs. Since Bangladesh's independence in 1971, social businesses have been active and growing in number and size in response to new needs and a massive increase in donor funding. In the 1980s, the lessons and limits of community development, multiple relief, and social mobilization approaches became prominent. At the same time, donors began to search for an alternative to channel development assistance through government agencies. Due to this approach, the current nature of NGO development has taken hold in Bangladesh.

Bangladesh needs to look beyond this Western concept of good administration. Political democracy is not enough on its own, though. In practice, it might help foster a culture of good governance, but it does not ensure eventual success. In spite of the fact that it is a multiparty democracy, Bangladesh continues to hold the top spot on the corruption perception Index maintained by transparency international. As a direct consequence of this, multi-party democracies in many nations, including Bangladesh, have been unable to successfully execute the core principles of good governance. Civil society has a crucial part to play in ensuring not only democratic values but also an integrated native notion of good governance. This may be accomplished via the work that they do. In order to effectively combat corruption and ensure good governance, third-party pressure from civil society as the third leg of a new governance structure can be a powerful force that can help a Bangladeshi government take action against corruption and toward transparency. This can be the case even if certain sectors of the population oppose the measures being taken by the government (Naushin Parnini, 2006)

#### **4.5 Good Governance and Civil Society in Bangladesh**

The concept of civil society swept into prominence in the 1980s for reasons that are by now well known. Intellectuals in Eastern Europe began to realize that the two options that had been historically available to people struggling to emancipate themselves from unbearable political situations were no longer accessible to them. The first option was the reform of state power ‘from above’. The second was that of revolution from below. Reeling under obdurate state power and imperious bureaucracies, people found the lack of civil and political liberties, state monopoly over economic and social transactions, and absence of participative citizenship or representativeness both claustrophobic and intolerable. Some remedy had to be found. The only option that presented itself as credible in this context was to carve out a ‘free zone’ within the existing system. Here people could associate and express their sentiments without fear amid warm networks of solidarity. The Eastern Europeans called this free zone, peopled by social associations, self-help and self-management organisations, and characterised by mutual solidarity, ‘civil society’. (Chandhoke, 2007).

The invocation of civil society in eastern Europe came to embody three, possibly even more, historical meanings, all of which led to some sensational consequences. First, the civil society argument sought to limit the formerly untrammelled power of the state by the institutionalization of political, but more importantly, civil rights and the rule of law. Second, and correspondingly, the argument sought to carve out a domain that would function independently of state regulation. Here people, free from state inspired diktat, could engage in projects of all kinds. Third, the civil society argument propelled an important issue onto the political agenda. It simply asserted that the active engagement of ordinary men and women in groups that were smaller than the state, namely family and kinship groups, neighbourhoods, professional and social associations, and voluntary agencies, was a good thing in itself. (Chandhoke, 2001). The western concepts of so-called ‘civil society’ and ‘good governance’ can hardly help indigenous civil society to flourish and bring about home-grown good governance in Bangladesh (Syeda, 2006). Compared with other developing countries, Bangladesh has done well during the last four decades. The major bottlenecks to development have been political turmoil, poor governance, and policy deficits. Estimates of governance indicators in Bangladesh for 2010 were negative and suggest

that governance in the country is far below the world average (Jamil et al. 2013). Out of six governance indicators, four ranked Bangladesh in the lowest 25 %, one put it at 32 %, and one in the bottom 40 %. Alarmingly, four of the governance indicators have been persistently declining since 1996 (World Bank 2011).

Historically, especially during military rule in the 1980s, civil society assertions have attempted to resist authoritarian regimes or military dictatorships in Bangladesh. Civil society contributions have been recognised in the country as a part of the process of gaining democratic freedoms for their citizens. However, after democracy was attained in Bangladesh, the tasks of the good governance and civil society movements became more complex. On one hand, it implied that reforming institutions of the state became imperative. On the other hand, creating a culture in society which is consistent with democratic values and practices was of equal concern. In fact, all of these good governance concepts were prescribed by the major donors, i.e. the World Bank, IMF, ADB and UNDP in Bangladesh. However, the issues of transparency, accountability, self-management and self-governance have societal relevance and should not be limited merely to governmental institutions. The results of the major donor's attention, limited primarily to the government, calls for a wider scope of application of those principles.

Naushin Parnini, Syeda (2006).

State policy is necessary to create a legitimate playing field for civil society. In one respect, free and fair elections on a periodic basis under a caretaker government have been the strength of Bangladeshi democracy. Within the margin of acceptable error, the collective voice of voters has been the basis for creating ruling elites. On the other hand, ignoring and rejecting the interests of vast sections of the Bangladeshi population by the ruling elite has also been a characteristic of the democratic Bangladeshi state. Formal government structures are one means by which decisions are arrived at and implemented. In urban areas, organized crime syndicates such as the 'land Mafia' may influence decision-making. In some rural areas, locally powerful families may make or influence decision-making. Such informal decision-making is often the result of corrupt practices or leads to corrupt practices in Bangladesh.

Bangladesh is trying to accommodate new institutions, including a wide range of transnational forces. These forces include non-state actors such as NGO and CSOs as well as activists for new issues such as the environment, gender, migration and governance conditionality. Throughout the 1980s and 1990s there was external pressure

for economic and political liberalisation and Bangladesh has learnt the lessons of both newly industrialised countries (NICs) and structural adjustment programmes. All these factors, which are identifiable as neo-liberal influence, call for a modification of the role of the state in economic direction-setting, infrastructural development and welfare provision. At the same time a new consciousness has been growing among popular movements, civil society activists and NGOs regarding the human and financial costs of unemployment, infrastructural decay, and rising levels of crime along with insecurity to women and other vulnerable groups.

A strong and neutral civil society is important for sustaining democracy. They can also advocate a diverse set of interests in society. While the state represents the broad interests of society at large, individual civil society groups have a responsibility to advocate the interests that they represent. A strong civil society can provide a balance in society and ensure that power exercised by the government is not abused, and thus the very notion can be driven by checks and balances. All these dynamic functions of civil society can bring about positive change in Bangladesh to promote an indigenous system of good governance on the basis of mutual accountability. Therefore, the role of civil society within the territory of Bangladesh can truly become a part of the current democratisation process to cope with the challenges of having good governance in order to achieve development goals.

There are several reasons why civil society is indispensable for ensuring good governance in Bangladesh. First, civil society considers improvement of people's lives as the top priority and an end itself. Second, civil society organisations are usually independent and can act as watchdogs by monitoring implementation of governmental commitments in different sectors. Third, civil society can fill the legislative and policy gap by advancing anti-corruption proposals that may not be supported by political parties. For example, CSOs can oppose dubious legislative bills and/or advocate rights of vulnerable groups that are numerically too small to have a political weight vis-a-vis economic interest group. Four: Civil society can operate on the basis of ideas rather than prestige, power and money.

The majority of Bangladesh's national and local civil society organizations are neither impartial nor independent, and prefer to link themselves with political parties and promote political goals. Civil society is not an independent entity, but rather a partnership with the state, and its members are frequently aligned with their own self-interests. There are strong political ties between the landowners, bankers, religious

leaders, and village elites who operate community-based services. It is unrealistic to expect to have a civilized society if the interconnectedness of many religious and ethnic minorities is overlooked. (Naushin Parnini, 2006)

Bangladesh is a religiously diverse country due to the presence of a small but significant Hindu minority, as well as Christians and Buddhists. There are several strata of civil society, each distinguished by its taxonomy as well as its religious, cultural, ethnic, and caste entities, making it more complex than a single and united society. The establishment of a secular constitution in Bangladesh did not lead to a society where individuals had forgotten their religious allegiances and lived in total secular harmony. Instead, the majority of Bangladeshis who looked like each other exaggerated their religious and local (district) allegiances, ignoring the much-publicized new state's non-religious and homogenous nationality (Naushin Parnini, 2006)

Civil society groups and the media often work together to promote anti-corruption causes. A satirical billboard campaign and TV advertisements in the Czech Republic are advocating anti-corruption messaging. Slovak media also uses an image of a condescending and thieving public official to educate citizens about their rights and responsibilities as a citizen. Bangladesh's public response to anti-corruption campaigns has been weak at best. Clientelism is a specific source of concern. Sometimes, the same political party that wins an election in Bangladesh has an absolute majority in parliament or is in charge of the vast majority of state-owned businesses. Thus, when control is more centralized, it leads to a generalized clientelism that affects even non-profit groups that have trouble securing funding for their work. Civil society organizations in Bangladesh are mostly linked with the country's two main political parties (Naushin Parnini, 2006)

Bangladesh has a wide range of civil society organizations. The role of trade unions in metropolitan areas, media, cultural organizations, and professional groups in Bangladesh's civil society are all important. The Centre for Policy Conversation (CPD), which was created in 1993, hosts dialogue sessions and engages the general public in thoughtful debate. In addition to the CDBR and the BIDS, there are a number of professional organizations including the Bangladesh Institute of Development Studies (BIDS). Even though they are mainly concerned with their own professional needs and efficiency, several of them have made significant contributions to civil society. Civil society and effective governance have both benefited from the work of Human Rights Associations and Women's Organizations (Rahman et al, 2000).

Despite their limited potential to affect state or public policy, these pressure organizations may play a more vital role in ensuring accountability of government institutions and other institutions for good governance if they work together with the public sector correctly. Public policy can be influenced by the media, although the function of the media has been constrained by the low literacy and low buying power of the average citizen (Jeffrey, 2000).

With its multi-party system and elected representatives in parliament, Bangladesh now enjoys a type of formal democracy. Socio-economic transformation is a goal of democratic systems and public policies, which include several rights for equality and equal opportunity, as well as a wide range of public programs. However, despite the adoption of a democratic welfare system, the gap between the affluent and the poor continues to widen. There is no economic or social equality for the majority of the people. In certain cases, a crisis of legitimacy of state institutions has resulted from the state's inefficiency and inability to respond to its population. However, a western idea of civil society that just NGOs to donors cannot assist grow the actual function of civil society rather all of the NGOs as well as excellent governance conditions are instruments of donor involvement in every domestic matter in Bangladesh. It is against this context that Bangladesh's true civil society and governance interaction has to be addressed in order to promote accountability in all sectors, including government institutions.

Historically, concerns such as social cohesion, equality, and human rights have shaped collective activity and the public sphere in Bangladesh. However, the dimensions in which they are placed are continually moving. colonial rules and laws influenced many conceptions and ideas. Civil society organizations in Bangladesh should focus on bridging the gap between what is legally permitted and what is often violated in order to ensure that the government is held accountable (Naushin Parnini, 2006)

A subset of civil society organizations, or social organizations, is called an NGO in today's world. The growth of civil society in Bangladesh is a long way behind the development of the state. Since the bond between a young state and its elderly population hasn't had the time to develop naturally, the gap has been bridged artificially. Non-governmental organizations (NGOs) were formed in Bangladesh, and they borrowed from the advanced nations of the West to speed up the expansion of NGOs, which could not function in reality. NGO activity in Bangladesh has risen significantly



since the country's independence from Pakistan in 1971, as a result of new demands and an enormous increase in foreign financing. Community development, multifaceted relief, and social mobilization tactics were important in the 1980s, when 17% of foreign assistance to the nation was allocated to NGOs (Babar, 1997). As a result, donors started looking for alternatives to using government institutions as a means of channelling development aid.

There has recently been an increase in the number of donors looking to support the impoverished through funding NGOs, prompting organizations in Bangladesh to scurry to hire programmers (Mokbul and Nahar, 2000). By generating competition among the poor for microcredit, some critics accused non-governmental organizations (NGOs) of diluting the poor's political voice, de-politicizing them, and strengthening their dependency on non-governmental organizations (NGOs) (Chowdhury, 1990; World Bank, 1996; Haque, 2002).

The three wards of the Union Parishad have been designated for direct elections by the women of the community in order to boost their representation in the Union Parishad. These groups and others are working to ensure that local self-government serves as a foundation for strengthening Bangladesh's greater framework of democracy and good governance. Civil society activists could easily build a road map for local action to promote development that benefits the poor since local government structures promised by successive ministries since the restoration of democracy in 1991 have never really been implemented (if admittedly nonetheless still difficult to implement). Each level of government financing and civil society advocacy would be represented by elected bodies at the village (perhaps ward), upazila/subsector, and district levels (Aminuzzaman, 2000).

Local self-government in Bangladesh may serve as a foundation for strengthening the democratic and good governance frameworks via the involvement of civil society, local community-based organizations, and other interventionist organizations. Despite repeated assurances by the government of Bangladesh (as of June 2006), there are no signs that any additional tiers of administration, especially at the upazila level, would be implemented in Bangladesh under the consecutive governments voted to power in 1991, 1996, and 2001. A lack of financing and technical ability means that local civil society projects will be relegated to the union level. CSOs have little to work with since the majority of UP's funding comes from the central government, and the organization's

staff comprises of a secretary and a few village constables, so there aren't a lot of resources for them to use for the public good (Aminuzzaman, 2000).

Improving local self-governance also entails increasing administrative and public bureaucratic responsibility to democratically elected authorities in towns and villages. As a result, it is very difficult for local governments to ensure district administration and other public employees at lower levels are held accountable (like schoolteachers, village level workers, junior engineers, block development officers, public health nurses, etc.). With the engagement of Gram Parishad and municipal wards and the continued responsibility of elected representatives to the people, civil society assertions may try to help local bodies operate as institutions of local self-governance.

To ensure good governance and push for public policy choices that benefit the poor in Bangladesh, it may be possible to improve the role of civil society's involvement via the following recommendations: Equitable growth and development need a solid social and institutional foundation. Joint training of members from public and private sector organizations, as well as CSOs, should be used to build institutions' and individuals' capacity.

A widening of the decision-making base is necessary as well as increasing institutional openness and accountability. Human rights and the quality and distribution of economic development must be promoted and protected to fight inequality and exclusion (even if civil society is a good and negative influence in most circumstances). Economic and social policy must also rethink the responsibilities of government, business, and civil society.

Civil society groups should participate in the work of parliamentary committees and in parliaments in general. In order to encourage citizen participation, educational institutions should be depoliticized and reinforced, stressing both the rights and responsibilities of people. It is necessary to provide and enhance advocacy, policy guidance, and technical assistance. The promotion and brokering of conversation between official institutions, funders, civil society, and business groupings should be encouraged. The effectiveness of the Anti-Corruption Commission, formed in 2004, should be improved. An annual Parliamentary report and close ties to the media are essential. To tackle corruption, governments, public society, and the commercial sector should all work together as a team. Improve natural resource management and safeguard the environment and promote support for poverty reduction, sustainable development, and international co-operation. Information should be available to

anybody, without restriction. Establishing a code of ethics for media and civil society groups is essential.

Civil society must maintain a neutral space that must avoid politicization and Islamic fundamentalism, so that the civil society may offer an outlet for society to express itself in a range of sectors and on a variety of topics to promote home-grown government.

#### **4.6 Discussions: Social Business and the Bangladeshi Government Cohabitation**

Throughout the world, social forces such as the state, market, the ruling class, the working class, and social businesses are constantly rearranging their positions of power, conflicting and cooperating. As far as the connection between the government and social businesses is concerned, there are both internal and external elements at play. Formal cooperation (based on a common mandate), formal or informal ties (sharing of ideas and information), and formal or informal engagement (conflicting or supporting) are some types of government–social business interactions (Farrington and Lewis, 1993).

It has been noticed by Kabir (2000) that in Bangladesh, developing social businesses and government have worked together in the past. Furthermore, the Awami League administration under Mujibur Rahman (1971–75) only considered the establishment of certain social businesses to have an indirect role in social activities and family planning (Chowdhury, 1990).

While the BNP administration under Ziaur Rahman (1976–81) and the Jatiya Party under Ershad (1982–90) the number and significance of social businesses began to grow. Under the Jatiya Party and Ershad, these expanded significantly. As a result, social businesses have been included in both the second and third five-year plans, which were issued in the 1980s and 1990s, respectively. As the BNP ruled under Khaleda (1991–96) and the Awami League ruled under Sheikh Hasina (1995–2000), many social businesses were increasingly seen as government collaborators in implementing projects under the fourth five-year Plan (1990–95). (Kabir, 2000). While many developing nations seem to have cooperative ties with NGOs, conflicts persist due to a variety of circumstances, including the rising involvement of international funders and agencies (Clark, 1997

All three governing parties (Awami League, BNP, and Jatiya Party) throughout Bangladesh's brief history have used official tools of power to exert control over the

country's growth, including a wide range of legal, institutional, administrative, and financial measures.

In the first place, the post-independence regimes employ pre-independence norms and regulations to manage or control social business. For example, the Societies Registration Act of 1861, the Trust Act of 1882, and the Cooperative Societies Act of 1925 are still in use for the registration of Social Business in the United Kingdom. The Voluntary Social Welfare Agencies Ordinance of 1961, which Bangladesh inherited from Pakistani control, still permits the government (particularly the department of social welfare) to approve or suspend social businesses. It was adopted in 1978 by the BNP administration and revised in 1982 by Ershad's regime under the Foreign Donations (Voluntary Activities) Regulation Ordinance.

All social businesses that want to accept donations from overseas sources must first get government clearance under this ordinance, giving the government more control over the flow of finances to these organizations (World Bank, 1996b). It is a requirement of the ordinance that any social enterprise seeking registration have government approval of programs and outside financial sources. As a result of these steps, the government can better control the operations of social businesses.

Also of importance are the National Non-Governmental Organization Affairs Bureau (NGOAB), formed in 1990, and the Bangladesh Association of Development Agencies (ADAB), established in 1974. The NGOAB oversees social business on behalf of the government, including performance reviews, project approvals, expatriate appointments, program monitoring, and revenue and expense audits (World Bank, 1996a; 1996b). The NGOAB has the authority to deny or cancel the registration of any new or existing social business. The ADAB, on the other hand, serves as the umbrella body for coordination, and it is comprised of all of the key social business players. Most important for the ADAB is to manage and support relationships and interactions between the social business sector as well as the government as well as funders and other civil-society organizations (World Bank, 1996a: 33). Government control on all social business, including development social businesses is maintained by these institutional instruments, particularly the NGOAB. Since the establishment of the NGOAB to improve state regulation caused a great deal of friction between the government and social business (Tvedt, 1998).

As a third option, the government provides low-interest loans to a number of NGOs. In 1990, the government established the Palli Karma Sahayak Foundation

(PKSF), also known as the Rural Works Assistance Foundation, in an effort to curtail financial irregularities (Kabir, 2000). Since 1990, the PKSF has funded a huge number of NGOs' microcredit initiatives, both under the BNP and Awami League administrations. Between 1993 and 1995, the PKSF provided \$15 million in loans to around 105 NGOs (FDC, 1995). Government financial control over NGOs has waned recently owing to the use of alternative funding sources by big NGOs like Proshika, Grameen Bank and Swanirvar Bangladesh, particularly commercial and agricultural banks (World Bank, 1996a).

The Bangladesh post war economy was suffering from a lack of infrastructure and massive poverty, especially in the rural areas. Government took several initiatives to improve the situation of the rural poor. For example, all of the commercial banks were nationalised and the Government directed these banks to work in the rural areas (Dowla, 2006). But many of these branches did not have commercial success and had to face the fate of being closed down by the Government. But Grameen bank take step to help rural poor in Bangladesh. The Grameen initiative has grown into a multi-faceted group of profitable and non-profit ventures. The success of the Grameen model of microfinancing has inspired similar efforts in a hundred countries throughout the developing world and even in industrialized nations, including the United States. (Yunus, 2007).

In early 2006 Yunus, along with other members of the civil society participated in a campaign for honest and clean candidates in national elections. Dr. Yunus considered entering politics in the later part of that year. On 11 February 2007, Yunus wrote an open letter, published in the Bangladeshi newspaper Daily Star, where he asked citizens for views on his plan to float a political party to establish political goodwill, proper leadership and good governance. In the letter, he called on everyone to briefly outline how he should go about the task and how they can contribute to it. (Yunus, 2007). Yunus finally announced the foundation of a new party tentatively called Citizens Power (Nagorik Shakti) on 18 February 2007. After a few days, on 3rd May, Yunus declared that he had decided to abandon his political plans following a meeting with the head of the interim government, Fakhruddin Ahmed. (Yunus, 2007).

Based on Daily star news (11 February 2007), Yunus wanted to change political system and good governance in Bangladesh but he understood it would not be possible to change these because of the corrupt political system in Bangladesh. After Yunus

launched his political party, he became the main opposition leader that is why other political parties, especially the government party sought to avoid him and set out to smear him. All allegations were published in the Dhaka Tribune daily newspaper on June 29<sup>th</sup>, 2022. The allegations by the Bangladeshi government against Dr. Yunus are identified below:

Allegations by Bangladesh Prime minister Sheikh Hasina, On June 25, 2022

Allegation- 1: Grameen Bank is managed by Dr. Yunus. Legally, he could remain Managing Director until the age of 60. However, he remained MD illegally until Yunus was 70-71 years old. Naturally, the Bangladesh Bank gave him notice without meaning any insult to him. The former ex-finance minister Muhith Saheb and adviser Gowher Rizvi Saheb suggested to him that he become an advisor to Grameen Bank. He wanted desperately to remain MD (Dhaka Tribune daily newspaper June 29, 2022 7:04 PM). The premier alleged that Dr Yunus had hatched a deep conspiracy against her Awami League-led government only to cling to the post of Managing Director of the Grameen Bank. She said Dr Yunus had engaged then US Secretary of State Hillary Clinton and Cherry Blair, spouse of the then British Prime Minister Tony Blair, to lobby for him to return to his MD post. They called me several times, but I told them that the law doesn't allow Dr Yunus to remain as MD of Grameen Bank," the premier minister added. (The daily sun newspaper, 7th July, 2022 10:01:01 AM)

Allegation- 1: He takes 47% interest from poor people

Allegation- 2: He has eaten all the money from the Grameen Bank. Otherwise, how can a managing director of a bank own so much money? How could he invest so much at home and abroad?

Allegation- 3: how could he donate \$300,000 dollars to the Clinton Foundation? Whose money was that? How did he donate? No one was looking into it!

Allegation- 4: when he took Grameenphone, he said that the dividend from Grameenphone will go to Grameen Bank and the bank will run with that (dividend). If (you) investigate, you will find that he has never paid a single taka of Grameenphone to Grameen Bank.

Allegation- 5: When we came up with the digital system. Telecommunications, before all were analogue and I gave the mobile phone business to the private sector, he was also given a mobile phone business. The other two that we gave were not given many opportunities but we did give the opportunity to use railway optic fibre cable for Grameenphone.

Allegation- 6: Besides, a stunning allegation has recently surfaced against Dr Yunus that he unlawfully settled all the 110 cases, filed against him by Grameen Telecom union of workers and employees, with Tk 250 million.

Allegation- 7: Information and Broadcasting Minister Dr Hasan Mahmud on Thursday described the Yunus Centre's statement that denied Dr Muhammad Yunus's role to scrap World Bank's financing in Padma Bridge construction as "evil attempts to hide the truth. It is clear like broad daylight that Dr Yunus played a role of the key perpetrator in scrapping World Bank's credit for Padma Bridge, as he has special intimacy with Hilary Clinton, all at home and abroad know it (June 30, 2022 7:53 PM, Dhaka Tribune daily newspaper). Referring to the reason behind the move, the minister said Dr Yunus illegally held the post

These allegations against Prof. Yunus suggest that the Bangladesh government and social business centre gives the prove Bangladesh government does not have good relation with prof. Yunus. All the allegations were political speeches by Prime minister Sheikh Hasina. There are no written allegations against him that prove that he halted payments from the world bank. The Bangladesh government also claim that the social business centre was corrupt and Yunus received the Nobel prize by lobbying. Political speeches and official written allegations are also not the same thing. However, the Bangladesh government did not prove that Yunus played the role of the key perpetrator in scrapping the World Bank's credit for Padma Bridge, and that he gave the money to the Hilary Clinton foundation from Grameen Bank funds.

## **Conclusion:**

Author concluded that governance is a process that involves both public and private sector participation and it depends less on control and more on collaboration than other management strategies do. It is not a formally established institution but rather a continuous conversation between the two parties. Author also mentioned government is the main player of development process. It holds the control of driving forces in the society. Governance comprises of policies, laws, interactions with different pressure groups and interest groups, and the participation of citizens in the decision-making process of the government. Government is a process through which choices are made and executed or rejected. Corporate governance, international governance, national governance, and municipal governance are just a few examples of how the term

governance may be employed. The concept of governance recognizes the power dependency that exists between institutions that are engaged in collective action. With regard to the specifics of collective action, every organization must exchange resources and negotiate a common objective with other organizations in order to achieve its goals. Author also concluded that exchange is not only influenced by each organization's resources but is also influenced by rules and the environment in which it takes place. Governance recognizes the capacity to function efficiently without relying on the power of the government to command or exercise its authority.

Author concluded that governing refers to the many ideals, conventions, procedures, and organizations that enable a society to direct its own growth and settle its many conflicts, both formally and unofficially. Governance is the capacity of a country's institutional matrix (in which individual actors, firms, social groups, civic organizations and policy makers interact with each other) to implement and enforce public policies and to improve private sector coordination. Governance showed how people are ruled, how the affairs at the state are administered and regulated; it refers to a nation's system of politics and how these functions in relation to public administration and law. Governance refers to strategy, tactics, process, procedure or program for controlling, regulating, shaping, mastering or exercising authority over others in a nation, organization or locality

Author also concluded that good governance the effective management of a country's social and economic resource in a manner that is open, transparent, accountable equitable. Good governance is the exercise of economic, political, administrative authority to manage a country's affairs at all levels. The form of political regime. To manage a country's economic and social resources for development, a government must follow a certain procedure. Capacity to develop and execute policies and carry out responsibilities. Author also concluded political stability is a variable of great importance in a country's evolution since, across time, it was identified as causing low level of economic growth, but also it was presented as a consequence of poor economic development. Author also mentioned that political instability has a negative impact on economic growth. The chapter sets out that political stability was operationalized in different ways and that, across time, it was identified as causing low levels of economic growth. I It was also presented as a consequence of poor economic development.



Author also mentioned that third sector is considered a subset of social organisations in the modern world. In Bangladesh the emergence of the third sector, or NGOs lags behind state building and development to a great extent. Author showed on the chapter the lack of a relationship between government and the third sector has led to the use of artificial means to close this gap. Therefore, social business organisations in Bangladesh took the shape of NGOs and they borrowed from the advanced countries of the West to accelerate the growth of NGOs, which could hardly work in reality. Since Bangladesh's independence in 1971, social business has been active and grown in number and size in response to new needs and a massive increase in donor funding. In the 1980s, the lessons and limits of community development, multiple relief, and social mobilization approaches became prominent.

Finally, author concluded that governance and good governance push for public policy choices that benefit the poor in Bangladesh, it may be possible to improve the role of economic development via involvement good governance. Author also recommendation few points for economic development: Equitable growth and development need a solid social and institutional foundation. Joint training of members from public and private sector organizations, as well as CSOs, should be used to build institutions' and individuals' capacity. A widening of the decision-making base is necessary as well as increasing institutional openness and accountability. Human rights and the quality and distribution of economic development must be promoted and protected to fight inequality and exclusion (even if civil society is a good and negative influence in most circumstances). Economic and social policy must also rethink the responsibilities of government, business, and civil society.

## **Conclusion**

Social business has for some time been empowering women and tackling unemployment and poverty in Bangladesh. The aim of this thesis is to determine the role of social business as a means to address social issues and create economic sustainability for rural poor populations. Social business provides various educational, vocational, health, and business training programs to address a range of social and economic issues. This research examines how extreme poverty and unemployment in Bangladesh impacts citizens, and suggests it must be addressed through urgent action. Along with governments, technology institutions, and not-for-profit organizations, social business plays an important role in Bangladesh. Social business can be the driving force of change and a means to find common ground for women in rural areas to succeed. Leading social businesses have started to emerge in the form of Yunus Social business Centers around the world. The core premise of social business is to use economic operations to create social value and solve social issues and problems. Social business is a cutting-edge, integrative notion that encompasses a wide range of meanings. Social business contributes towards the achievement of societal goals and philanthropic, ethically oriented practices. Such businesses have had a revolutionary impact, not only on the Bangladeshi economy, but across the world. The contribution of SB to solving social issues is especially important where social policy programmes tend to be neglected and underfunded.

The main purpose of this thesis was to design a Social Business model to solve social issues in developing countries, where governments are only beginning to create social policy. The thesis addresses the main objectives and research questions that were created at the outset. The hypothesis was verified through the application of the following survey interviews, the historical method, the case study, and the survey based on closed-ended questions questionnaire.

The main objective was to understand the significance of social business to address social and economic issues in developing countries. The main objective as set out in chapters 1 and 3 has therefore been addressed. Specifically, the role of social business model is to ensure that all profits must be re-invested in organizations for socio-economic goals. The study also established that social business is not only significant for social and economic systems in developing countries, but also for developed countries. To do so, it was important to identify and focus on the features

and characteristics of social business models. Social businesses are socially conscious of existing financial, environmental, and political issues that benefit not only these companies themselves, but wider society.

In terms of the first research question, social business and social development activities were divided into two sectors: profit and non-profit. Both contribute to creating social benefits, found that social businesses create social and economic value for BOP areas and less affluent social groups in Bangladesh by providing business loans. These were provided to 8 million borrowers mostly comprising of poor women and the unemployed. More than \$35 million from international aid has been generated by social business to help others strive for self-sufficiency.

The second research question was addressed in the sense that it was found that social business is a key determinant of the empowerment of women, and in addressing unemployment. Social businesses offer a solution to poverty, as well as the wider sustainable development of society. Social business is therefore a route to poverty reduction. Social business encourages vigorous economic activities through training sessions, vocational education, and business loans which ultimately generate more employment opportunities. Social businesses drive women towards success and solve social and economic issues. The findings reveal that social businesses create economic sustainable development, and reduce unemployment particularly amongst women. The study also finds that social business is beginning to become embedded within many developing countries such as Bangladesh, where many people have established a social business. In reality, social business is very different from an organization's social business, or any charitable foundation that has social well-being as its aim. Social businesses are also motivated to empower women as a means to solve social issues. Social business is also a solution to unemployment and poverty, as well as the wider sustainable development of society.

The third research question was also addressed through the design of a developmental strategy for women's empowerment and the unemployed in Bangladesh. The findings confirm that social business employment training programmes that upskill women in areas such as driving, computer literacy, handicraft skills and sewing machine work are viable options, since these not only make domestic modern markets more profitable, but they also generate international interest. Simply put, a trained workforce can easily make an international impact. Questions 4 and 5 were also answered through subchapters 3.1 and 3.2. It was found that social businesses

stakeholders work around the world to tackle financial exclusion. Social business companies therefore assist poor people by generating labour to serve the general needs of the poorly managed state and private sectors. It is important to consider an opportunity as a valuable starting point for businesses to understand how markets work in general. Social businesses that combine both business and objective expectations can be distinguished from less critical elements devoted to building a stronger economy. Further, the growth process of small business projects begins with networking activities with other partners to achieve important developmental goals and successfully transfer projects to other markets.

This thesis also identifies that social business is a solution to human development that other businesses and government agencies cannot provide. Social business is a model that enables alternative business models to be created in order to establish socially relevant and helpful goals. Promoting the idea of social business is accomplished by developing business activities aimed, not only at maximizing income but also at supporting business activities linked to ensuring the well-being of society. Yunus' social business centre support individuals and organizations interested in becoming entrepreneurs in social business. They help such people to create innovative goods and services (Tazuddin,2020). The Centre promotes the creation of social business approaches by examining the unique social needs of each environment and society, and by observing the characteristics of the comparative markets. The study also found that vocational education is driven by intrinsic factors, and this improves education for students.

Financial exclusion refers to a lack of acceptable, low-cost, fair, and safe financial products and services for certain sectors of society from progressive suppliers. Grameen Bank has been able to provide support to excluded groups. The study shows that the Grameen bank is not a catch all solution for excluded people, but it offers them much needed support. The author also concluded that Grameen bank provides loans and affordable financial services for rural poor people. It also provides access to payments and support facilities, savings, loans, and insurance services that are otherwise not provided to excluded groups by conventional institutes. Grameen bank also ensures that all excluded members have easy access to financial systems. This viewpoint considers a number of factors linked to financial exclusion, including financial service accessibility and availability. Additionally, financial exclusion not only exists in developing countries, but also in developed countries.

This thesis also verifies that social exclusion is broad and multifaceted, spanning a wide range of issues including social isolation and minorities in society. Such minorities are unable to develop economically, socially, culturally and politically, and there are implications for their wealth, rights, goods, services and other activities. Social exclusion is a complex process, which involves the lack or, or denial of resources, rights, goods and services, and the inability to participate in normal relationships and activities that are available to the majority. This definition spans economic, social, cultural and political contexts. The findings also suggest that socially excluded people are deprived social and economic activities. This leads to mental illness and financial distress / poverty. In addition, social exclusion is a contested term, with disputes over the agency responsible. It involves interactions between influences and outcomes at different levels including individual, family, community, national and global levels. The study also finds that social and financial exclusion exists in Bangladesh, and elsewhere.

In terms of research question 6 Grameen Communication was identified as an important enterprise of the Grameen family. Grameen communication is developing a quick solution process, and set of systems for replication in other countries. It is also launching various training programmes for new and aspirant customers. It builds customized, user-friendly systems according to the requirements of customers, with uninterrupted customer support programmes. These enable businesses to implement different systems successfully for high end customers. Grameen communication has promised to provide quality service, and flawless performance in microfinance, not just in Bangladesh but also in different affiliated countries of the world. Another problem in Bangladesh is communications. Bangladesh does not have a good communication system which is why Grameen ccommunications has taken steps to solve these problems.

Questions 7 and 8 were addressed through subchapters 4.3 and 4.4. The study found that governance is a process that involves both public and private sector participation, and it depends less on control, and more on collaboration as compared to other management strategies. It is not a formally established institution, but rather a continuous conversation between the two parties. Government is the main player in the development process and is seen as the driving force in society. Governance comprises of policies, laws, and interactions with different pressure- and interest groups, and the participation of citizens in the decision-making process of government. The concept of

governance recognizes the power dependency that exists between institutions that are engaged in collective action. With regard to the specifics of collective action, every organization must exchange resources and negotiate a common objective with other organizations in order to achieve its goals. It was also found that exchanges are not only influenced by each organization's resources, but by rules and the environment in which trading takes place. Governance recognizes the capacity to function efficiently without relying on the power of the government to command or exercise its authority.

Governing comprises of the process, conventions, procedures, and organizations that enable a society to direct its own growth, and to settle its many conflicts, both formally and unofficially. Governance is the capacity of a country's institutional matrix (in which individual actors, firms, social groups, civic organizations and policy makers interact with each other) to implement and enforce public policies and to improve private sector coordination.

Ester Duflo social business model is therefore a social solution for social issues. The models identify three parts: social business strategy, technology, and government. Governance, policy, and technology are the three core components of the social business model. The model illustrates the fact that a social business model is only effective if these three components work in unison. Esther Duflo's social business model includes all the essential elements for the concept of efficient implementation. The key governance strategy, according to this model was to understand the root cause of poverty and to reduce poverty, unemployment and social issues. The research presented in the thesis indicates that social business implementation in Bangladesh has not been fully conducted according to the model, since there is no efficient cooperation between government and the social business sector.

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