

# 1 Social Entrepreneurship (SE) Development in Bangladesh

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## 6 **Abstract**

7 The paper presents the results of a survey during the period of 2012-1013 that has been  
8 carried out by us in order to examine the potentiality of the social entrepreneurship  
9 development. The samples covered in this study were social entrepreneurs. The total numbers  
10 of social entrepreneurs are 50 by taking 10 from each village of Sitakunda Thana in  
11 Chittagong on the basis of purposive sampling. Empirical survey portrays the prevalence of  
12 potentialities for social entrepreneurship development in the study areas. Many problems in  
13 implementation of the social entrepreneurship development programme have been identified  
14 such as lack of support for social entrepreneurs, inadequate motivational training, absence of  
15 capacity building programme of social entrepreneurship, ineffective campaign programmes,  
16 absence of network among government, Philanthropist other stakeholders, absence of effective  
17 management information system and lack of research on social entrepreneurship in study  
18 areas. The study, in conclusion, has attempted to find out implications and offering strategies  
19 towards the goal of successful implication of the social entrepreneurship development  
20 programme in Bangladesh in general in study areas in particular.

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22 *Index terms—*

## 23 **1 Introduction**

24 Social business has its origins in the 18th and 19th centuries when philanthropic business owners and industrialists  
25 demonstrated a concern for the welfare of employees by improving their working, education and cultural lives.  
26 Since then, social business has been associated with community enterprise and development, education, churches,  
27 charities, and so on. Social entrepreneurs in the United States are those who find new and exciting ways to attract  
28 contributions and government support to their programs. Social entrepreneurship combines the resourcefulness  
29 of Traditional entrepreneurship with a mission to change society ??Seelos & Mair, 2004). Thus, the term  
30 social entrepreneurship has emerged as a new label for describing the work of community, voluntary and public  
31 organizations, as well as private firms working for social welfare rather than for profit objectives (Shaw and  
32 Carler, 2010). As such, social entrepreneur is any person, in any sector, who uses earned income strategies to  
33 pursue social objectives. Therefore, social entrepreneurs are driven by a double bottom line, a virtual blend of  
34 financial and social returns, profitability is still a goal but it is not the only goal, profit are reinvested in the  
35 mission rather than being distributed to shareholders (Boschee & McClung, 2003)

## 36 **2 Walking**

37 anecdotes, people with new ideas to address major problems, who are relentless in the pursuit of their vision,  
38 people who simply will not take on for an answer and who will not give up until they spread their ideas as far as  
39 they possibly can. Sullivan Mort et.al ??2003) rightly identified that the dimensions of social entrepreneurship  
40 are four such as i) virtuousness of mission to create better social value ii) unity of purpose and action in the  
41 face of complexity iii) an ability to recognize opportunities to create better social value for their clients and iv  
42 propensity for risk taking, pro-activeness and innovativeness in decisionmaking. Table -1 shows the guidelines

## 10 RESEARCH FINDINGS AND DISCUSSIONS

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43 and perspective of social entrepreneurship. In the light of this perspective, social entrepreneurship may be defined  
44 as the persuasion of opportunities for social change in order to build up better future of the target group.

### 45 3 II.

### 46 4 The Research Problem

47 According to the study of the International Labor Organization (ILO) the number of unemployed in Bangladesh  
48 is estimated at 30 million in the year 2010. The way the rate of unemployment is increasing, it is feared that at  
49 this rate unemployment would soar to some 60 million by 2015.(www.cyberessays.com). According to another  
50 estimate, every year some 2.7 million young persons are becoming eligible for jobs whereas only about 0.7 million  
51 of them are getting employment. (www.blogtopsites.com).

52 Bangladesh is predominantly rural in economic context and 50 percent of the total population are women,  
53 majority of them illiterate, poor and suffers from malnutrition .The labour force survey states that women  
54 constitute about 50 percent of the employed labour force which 80 percent work in the rural areas. Female  
55 participation in the labour force indicates that women are gradually emerging as significant earners of family  
56 income for a growing number of families particularly in rural areas of the country. From the dawn of the  
57 civilization women played a complementary role with men to achieve all success of mankind. Further, equal  
58 opportunity to all citizens is a fundamental state policy of Bangladesh. Article 27 of the constitution lay down  
59 that all citizens are equal before law. In article 28 (1), it is stated that the state shall not discriminate against  
60 any citizen on ground of sex. Article 28 (2) emphasizes that women shall have equal rights in all spheres of state  
61 and of public life.

62 Existing literature evidences that contribution of social entrepreneurs in a market economy is increasing day  
63 by day. Social business will create new model of business enterprises for creating business as well as employment  
64 opportunities for socially, economically and culturally backward and unprivileged group of people. This paper  
65 intends to introduce concepts that will lead to greater opportunities for unprivileged groups in an underdeveloped  
66 country like

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68 Volume XV Issue I Version I Year ( ) Bangladesh. It is hoped that the target unprivileged group will be benefited  
69 by being involved as an entrepreneur or an employee through the process of social entrepreneurship. Thus, the  
70 destitute people especially women will emerge as self sufficient economically and socially.

71 There is no denying the fact that both social business and social entrepreneurs play an important role in  
72 creating social, economic, cultural and environmental wealth of a country like Bangladesh. This recognition, in  
73 turn, emphasizes the need for social entrepreneurship for creating social business enterprises as well as employment  
74 opportunities for under-privileged people. But so far our knowledge goes, no in-depth study has yet been done  
75 on this area of research in Bangladesh. The present paper is an attempt to fill in this gap.

### 76 6 III.

### 77 7 Objectives of the Study

78 The objectives of the present research work are to bring to focus prospects, challenges and strategies of social  
79 entrepreneurship development in Bangladesh.

### 80 8 IV.

### 81 9 Methodology of the Study

82 The paper presents the results of a survey during the period of 2012-1013 that has been carried out by us in  
83 order to examine the potentiality of the social entrepreneurship development. All data presented in this paper  
84 are based on that survey. Both primary and secondary data have been used in this study. The primary data have  
85 been collected from five villages of Bangladesh. The samples covered in this study were social entrepreneurs.  
86 The total numbers of social entrepreneurs are 50 by taking 10 from each village. A purposive sampling approach  
87 was used in this study and in-depth interview were conducted in order to collect necessary data and information  
88 for research purpose. A panel of expert was appointed to help research design and conduct depth interview with  
89 sample social entrepreneurs. Further, necessary data were collected through day to day observation, participation  
90 and group discussion to have got valid information about the social entrepreneurship, operational activities and  
91 other relevant environment of the target group. Again, the socio-economic backgrounds of the samples were  
92 studied through participatory method.

93 V.

### 94 10 Research Findings and Discussions

95 The findings of the present research work have been examined and analyzed under the following captions: a)  
96 Demographics of social entrepreneurs In a socio -economic inheritance process some benefits, resources and

97 privileges are passed on from the father and other family members to the next generations. It is said that socio-  
98 economic characteristics help shape preferences, determine attitude and mold values (Robey, 1984). In such a  
99 context, socio-economic characteristics, i.e. age, education, annual income, family size, and occupation have been  
100 considered more relevant for the purpose of sample respondents of present study. Data, thus, collected have been  
101 shown in Table -2 (Appendix)

102 Table ?? shows the variables, which were used as indicators of socio-economic characteristics of sample  
103 respondents. It has been reported that 48 percent of the sample respondent have education background at under  
104 graduate level. The formal education is expected to increase skill which is necessary to social entrepreneurial  
105 endeavors. Table ?? shows that out of 50 sample social entrepreneurs interviewed, 75 percent have average  
106 monthly income less than taka 50 lacs, followed by 25 percent with income distribution of taka 50 lacs to 60 lacs.  
107 It is also true that economic gains are always conceived as a means to or as an indicator of social status. Family  
108 size has definite bearing on the level of investment and therefore on the emergence and development of social  
109 entrepreneurs. Table-2 reveals that out of 50 respondents, 50 percent have family size between 5-to 10, followed by  
110 30 percent with family size above 10 members. It is, thus, asserted that the smaller family size of sample social  
111 entrepreneurs perhaps causes higher rate of savings and investment, which, in turn, may lead to positive impact  
112 on the flourishing of social entrepreneurship. The survey result shows that out of 50 sample entrepreneurs  
113 interviewed, 70 percent have social entrepreneurs training and 30 percent have no social entrepreneurial training.  
114 However a minimum level of social entrepreneurial training seems to be needed to evaluate social opportunities  
115 structure and attain the skill to exploit the available in the opportunity in the study areas. It has been observed  
116 that the socio-economic of the father as indicated by his occupation helps the social entrepreneurs financially  
117 in building their occupational carrier as social entrepreneurs. Table -2 portrays that out of 50 social business  
118 entrepreneurs interviewed, 53 percent and 47 percent of the sample respondent pointed out business and non-  
119 business respectively as their parental occupation. The parental occupation is an enabling factors since the  
120 bundle of skills experience and training necessary to sense, view, evaluate and exploit given opportunity that can  
121 be obtain from parental circle free of cost , easily and quickly.

## 122 **11 b) Knowledge of social business**

123 Social business is an important instrumental device through which protection is given to people against the  
124 consequence of loss of life and property ??Ahmed,1987). In such a context, we were interest to

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126 Volume XV Issue I Version I Year ( ) know from the sample respondents whether they know about social  
127 entrepreneurship. The results of the empirical survey have been shown in table -3 in Appendix.

128 Table-3 portrays that 70 percent of the sample respondents have no knowledge about the social entrepreneurship.  
129 It appears that they have no clear concept about the social entrepreneurial spirit as well as its impact on  
130 poverty alleviation and income generating activities. Reportedly, the social entrepreneurship concept is new in  
131 the study areas. Further, Schulyer (1998) describes social entrepreneurs as "individuals who have a vision for  
132 social change and who have the financial resources to support their ideas who exhibit all the skills of successful  
133 business people as well as a powerful desire for social change". c) Latent Demand Social Entrepreneurship  
134 concept Social entrepreneurship is emerging as an innovative approach for dealing with complex social needs.  
135 With its emphasis on problem solving and social innovation, socially entrepreneurial activities blur the traditional  
136 boundaries between the public, private and non-profit sector, and emphasize hybrid models of forprofit and non-  
137 profit activities. ??Sherrill Johnson).Peter Drucker argues that social entrepreneurs "change the performance  
138 capacity of society" ??Gendron,1996) .Data in this regard have been shown in Table-4 (Appendix).

139 Table-4 shows that 63 percent of the sample respondents are ready to undertake social entrepreneurship if they  
140 get any opportunity for starting this type of innovative venture and 37 percent of them respondents negatively.  
141 The reason behind negative responses are identified as new concept, lack of awareness and credibility , absence of  
142 fair idea about the social entrepreneurship, high illiteracy rate, nonconversance with economic concept and the  
143 likes.

## 144 **13 VI. Factor Indicating Potentiality of Social Entrepreneurship 145 in Study Areas**

146 Social entrepreneurship is a relatively new concept compare to its cousin 'conventional' or 'commercial'  
147 entrepreneurship.(Roberts ??ave & Woods Christine,2000). Many define it as bringing business expertise and  
148 market-based skills to the non-profit sector in order to help this sector become more efficient in providing and  
149 delivering these services ??Reis,1999). Social entrepreneurship and occur within the public, private or non-  
150 profit sectors, and is in essence a hybrid model involving both for-profit and non-profit activities as well as  
151 cross-sectoral collaboration. These definitions tend to put more emphasis on the 'entrepreneurial nature of these  
152 activities and the creativity and innovation that entrepreneurs bring to solving social problems in unique ways  
153 rather than focusing on the social benefits such services can provide ??Johnson,2000). In such a context the  
154 factors indicating potentiality of social business in study areas have been shown in table 5 in Appendix.

155 Table-5 reveals that 24.73 percent respondents pointed out solving social problems as a factor of potentiality  
156 and its position is the first in view of overall ranking. Again, 14 of them ranked it first, 11 ranked second and 6  
157 of the sample respondent ranked it third. In rating, second position goes to creating employment opportunity  
158 in the study areas and 11 sample respondents ranked it as number one variable, 9 as number two variable and 8  
159 as the third variable. From above facts the potentiality of social entrepreneurship development is very bright in  
160 study areas.

### 161 **14 VII. Problems of Social Entrepreneurship Development**

162 Social Entrepreneurship development is essential to meet the unemployment problem of the country, on one hand  
163 and improvement of socioeconomic status of mass people, i.e. overall economic development of Bangladesh, on  
164 the other. Against this background, our investigation as to problems of entrepreneurship development and the  
165 responses of the interviewees in this regard revealed a number of problems of social entrepreneurship development  
166 in the study areas which are shown in table-6 in order of magnitude.

167 Table-6 reveals that the most important problems are lack of support for social entrepreneurship and inadequate  
168 motivational training which, in fact, are utmost essential for social entrepreneurship development in study areas.  
169 It has been reported that the next two important constraints are absences of capacity building programme of  
170 social entrepreneurship and ineffective campaign program. These problems affect the social entrepreneurship  
171 development process adversely and which ultimately frustrate the sample social entrepreneurs in taking right  
172 decision for the purpose. It appears from the observation that management information system and research on  
173 entrepreneurship problem and prospects are absent in study areas. As a result, it is informed that the sample social  
174 entrepreneurs are deprived to receive right information in right time, on one hand and their attitudes towards  
175 integrated package assistant, i.e. stimulatory, supportive and sustaining activities etc. do not corroborate in the  
176 formulation of policies/programmes of social entrepreneurship development of the country, on the other.

### 177 **15 VIII.**

### 178 **16 Policy Implications**

179 Social entrepreneurship is essential to meet the unmet social needs and improvement of socio-

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181 Volume XV Issue I Version I Year ( ) economic status of mass people i.e. overall economic development of the  
182 country. But it is reported that poverty, illiteracy, unemployment are the common phenomenon.

183 Against, this background, our investigation as problems to social entrepreneurship development and the  
184 responses of the interviewees in this regard revealed a number of challenges of social entrepreneurship development  
185 in the study areas. Since social entrepreneurship development is the first of its kind in Bangladesh, the following  
186 policy-strategy can be made for its successful implementation and smooth operation.

### 187 **18 Conclusion**

188 The survey evidences that there is an urgent need to start social entrepreneurship to a greater extend and  
189 there is a bright future for social entrepreneurship development in Bangladesh in general and in sample areas  
190 in particular. Social entrepreneurship development is an area, which is yet to receive adequate attention from  
191 relevance interest group in the country. Thus proper education, publicity and other marketing programme may  
192 be taken to popularize the programme to the target groups. <sup>1 2</sup>

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Figure 1: (

## 6

Constrains	Frequency in percentage
Lack of support for social entrepreneurs	100
Inadequate motivational training	100
Absence of capacity building programme of social entrepreneurship	88.88
Ineffective campaign programmes	88.88
Absence of network among government, Philanthropist other stakeholders	66.60
Absence of effective management information system	55.55
Lack of research on social entrepreneurship	44.34

(Source: Field Survey)  
(N.

[Note: B]

Figure 2: Table 6 :



### 193 .1 Appendix

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