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Not business as usual: The emergence of social enterprises in Bangladesh

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Abstract

Social enterprises are redefining the nature and purpose of business by merging profitability with social and environmental responsibility. In contrast to traditional models that prioritize shareholder value, social enterprises pursue a “triple bottom line” that balances people, planet, and profit. This paper examines how these hybrid organizations are reshaping capitalism by embedding ethics, inclusivity, and sustainability into core business strategy. Using Bangladesh as a central case study, it explores how a nation once marked by poverty and vulnerability has become a global hub for social innovation. From the pioneering models of BRAC and Grameen Bank to emerging ventures such as iFarmer, ShopUp, and Friendship Colours of the Chars, Bangladeshi enterprises demonstrate that economic growth and social justice can advance together.

The paper also situates this transformation within a global context, drawing connections to the rise of B Corporations, the evolution of ethical consumerism, and the broader institutional shift toward sustainable enterprise. Yet, challenges persist—particularly the absence of clear legal frameworks, the cost of ethical commitments, and the threat of “impact-washing.” Despite these constraints, social enterprises continue to redefine the metrics of success, emphasizing shared value, community empowerment, and environmental stewardship. Ultimately, the study argues that Bangladesh’s social enterprise model provides a compelling roadmap for inclusive, purpose-driven development across the Global South and beyond.

Keywords: Social Enterprise; Bangladesh; Sustainable Development; Ethical Business; Inclusive Economy; Entrepreneurship

1. Introduction

The world today grapples with urgent social issues—inequality, poverty, and lack of access to basic needs. Disparities in education, healthcare, and housing continue to undermine well-being, especially in low-income regions. Consider economic inequality, where the top 1% of people on the planet now owns more wealth than the poorest 99%. This harsh reality worsens problems like hunger, lack of access to healthcare, and substandard living conditions while limiting opportunities for social mobility. Concerns over mental health have also spread throughout the world. The most common cause of disability in the world today is depression, with anxiety disorders coming in second. Conflict, natural disasters, and unstable economies are the main causes of the simultaneous increase in global migration. Globally, more than 100 million people are displaced and living in refugee camps with limited access to essential services like clean water, sanitary conditions, and education. These populations face enormous obstacles, which are made even more challenging by growing xenophobia and nationalism [1]. This hybrid model has proven resilient even amid global crises. For example, Bangladesh maintained a GDP growth rate of 5.2% during the COVID-19 pandemic, illustrating how inclusive development strategies can buffer nations from external shocks [4]. Similarly, countries such as India and

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Pakistan have increasingly embraced social enterprise models to foster economic inclusion, enhance local capacities, and stimulate long-term growth.

The operational ethos of social enterprises revolves around a “triple bottom line” that balances people, planet, and profit [1]. This approach extends beyond philanthropy or corporate social responsibility; it fundamentally reshapes business strategy. Enterprises adopting this model prioritize fair labor practices, environmental stewardship, and community empowerment, rather than relying solely on short-term cost-cutting measures like outsourcing or unsustainable supply chains [2]. By embedding these principles into core operations, social enterprises create resilient value chains and strengthen stakeholder trust.

Social enterprises also serve as catalysts for systemic change. They encourage local capacity building through skill development, fair wages, and inclusive employment opportunities. In doing so, they challenge traditional capitalist assumptions that success is measured purely by financial metrics. Instead, success is increasingly viewed as the creation of shared value, encompassing social, environmental, and economic dimensions [1,3]. For instance, enterprises that integrate sustainable sourcing or cultural preservation into their operations not only contribute to heritage conservation but also generate economic benefits for marginalized communities [3]. This dual focus reinforces the notion that ethical practices and profitability are not mutually exclusive.

From a broader perspective, social enterprises contribute to sustainable development by addressing pressing global challenges, including climate change, poverty, and inequality. Environmental initiatives—such as reducing carbon footprints, minimizing waste, and supporting regenerative agriculture—demonstrate that businesses can have a measurable positive impact on ecological systems [2]. Concurrently, programs aimed at improving education, health, and economic opportunities enhance community resilience, fostering social capital and empowering citizens to participate in local and national development [1].

The shift toward purpose-driven business represents more than a temporary trend; it signals a structural transformation in how success is defined. By harmonizing financial objectives with societal and environmental imperatives, social enterprises provide a blueprint for inclusive and sustainable growth. As global challenges become increasingly complex, investing in social enterprises becomes not just a moral imperative but a pragmatic strategy for resilient economic systems [1,4]. In essence, the rise of social enterprises demonstrates that long-term value creation, ethical operations, and community empowerment can coexist, reshaping the future of capitalism to be both profitable and purposeful.

Yet, despite their promise, social enterprises operate within a complex and often unforgiving economic landscape. Unlike traditional businesses that can minimize costs through cheap labor, mass production, or environmental disregard, social enterprises face higher operational expenses due to their ethical commitments—paying fair wages, sourcing sustainably, and engaging directly with marginalized communities. These organizations frequently establish operations within or alongside the very communities they seek to empower, creating inclusive employment opportunities and fostering self-reliance. Such practices often limit competitiveness in price-driven markets but generate deeper, long-term social and environmental returns. This dual pursuit of mission and market viability demands resilience, innovation, and a redefinition of success itself. Bangladesh provides a compelling example of how this balance can work in practice. From the microcredit revolution of Grameen Bank to the livelihood initiatives of Friendship and the sustainable craftsmanship of Friendship Colours of the Chars, the country’s social enterprises illustrate that impact-driven business is both possible and profitable. As global systems confront climate crises, inequality, and displacement, these models offer more than moral guidance—they present a viable blueprint for reimagining capitalism. The future of business, it seems, lies not in maximizing profit, but in maximizing purpose, proving that prosperity and responsibility can indeed coexist.

2. Materials and Methods

2.1. Existing Literature

The roots of social enterprise in Bangladesh can be traced to the aftermath of the 1971 Liberation War, when the newly independent nation faced widespread economic devastation, infrastructure collapse, and mass displacement. In response, a wave of welfare-oriented organizations emerged, initially focusing on rehabilitation, poverty alleviation, and basic service delivery. Although these early initiatives were not formally recognized as social enterprises, they laid the foundation for enterprise-driven approaches to development by combining relief efforts with community-based innovation [5].

One of the pioneering institutions, BRAC (Bangladesh Rehabilitation Assistance Committee), established by Sir Fazle Hasan Abed in 1972, exemplifies this transition. Originally aimed at supporting returning refugees and rebuilding war-torn communities, BRAC rapidly evolved into a multifaceted organization addressing education, health, vocational training, microfinance, and enterprise development [5]. Central to BRAC's philosophy was the notion that rural populations were resource-rich rather than resource-deficient, emphasizing empowerment over mere aid. This approach reframed beneficiaries as active agents of change, creating scalable, sustainable development models that integrated economic and social objectives.

Parallel to BRAC's work, Grameen Bank, founded by Dr. Muhammad Yunus, pioneered microfinance as a tool for financial inclusion [6]. By providing small, collateral-free loans—particularly to women—Grameen Bank demonstrated that creditworthiness depends on opportunity rather than wealth. This innovation enabled millions to establish small businesses, generate income, and achieve economic self-sufficiency, redefining global approaches to poverty alleviation and inclusive finance.

Other early models, such as Gonoshasthaya Kendra (GK), founded by Dr. Zafarullah Chowdhury in 1972, combined healthcare delivery with grassroots mobilization [7]. GK's decentralized, community-based approach empowered local populations to manage their health systems and encouraged gender-inclusive participation. Similarly, the Kumudini Welfare Trust, established in 1947 by Rai Bahadur Ranada Prasad Shaha, expanded its healthcare and educational programs post-war to address structural inequalities, particularly in rural women's empowerment [8].

Collectively, these institutions shaped Bangladesh's distinctive approach to social enterprise, emphasizing community resilience, gender equity, and systemic empowerment. Their work demonstrated that social and economic goals could be mutually reinforcing, influencing global development paradigms. BRAC's integrated approach and Grameen's microcredit system, in particular, inspired replication across Asia, Africa, and Latin America, illustrating the scalability of context-sensitive, enterprise-based models [9].

By the early 2000s, Bangladesh had emerged as an international reference point for social innovation, with enterprises like BRAC, Grameen, and GK integrating enterprise mechanisms into their missions in response to both global economic pressures and local development needs. Despite challenges—including limited state capacity, shifting donor priorities, and political instability—these organizations maintained their impact through participatory design, community engagement, and long-term sustainability strategies.

3. Methodology

This historical trajectory highlights the continuum between relief, development, and enterprise in Bangladesh's social sector. Social enterprises have functioned as both complements and correctives to state institutions, addressing structural inequalities while building local capacity. Their success underscores how contextualized, community-led models can endure and scale even within resource-constrained environments.

This study employs a qualitative, secondary research approach, synthesizing data from scholarly articles, institutional archives, and government databases to examine the historical and developmental trajectories of social enterprises in Bangladesh. The analysis focused on post-war reconstruction, microfinance, gender empowerment, and community-based healthcare, providing a multidimensional understanding of the evolution of enterprise models. By situating Bangladesh's experience within broader debates on sustainable development and social innovation, this research highlights how welfare-oriented organizations transitioned into market-enabled, socially impactful enterprises, offering lessons for global development practice.

3.1. The review process involved two key stages

Collection – Gathering scholarly and institutional materials from peer-reviewed journals, NGO archives (e.g., BRAC, Grameen Bank, GK, Kumudini Welfare Trust), and government databases such as the Bangladesh Bureau of Statistics and Bangladesh Economic Review.

Analysis and Interpretation – Synthesizing these sources thematically under key domains: post-war reconstruction, microfinance and financial inclusion, gender empowerment, and community-based healthcare. This ensured a multi-dimensional understanding of how enterprise models evolved across sectors.

This method allowed for a contextualized understanding of social enterprise evolution, treating these organizations as both historical actors and contemporary innovators. The focus on secondary data also permitted the triangulation of

diverse perspectives—academic, institutional, and governmental—thus strengthening the reliability of the findings. By framing historical developments through the lens of social innovation and enterprise theory, this study connects Bangladesh’s unique trajectory to global debates on sustainable development. The selected literature and institutional examples represent not merely isolated case studies but systemic transformations that continue to influence how social enterprises are conceptualized and operationalized worldwide. Ultimately, this methodological synthesis provides the foundation for later analytical sections, which will explore how social enterprises in Bangladesh exemplify the transition from welfare dependency to market-enabled empowerment, and how these models inform contemporary approaches to sustainability and social impact.

4. Result and Discussion

4.1. Understanding Social Enterprises and Their Theoretical Challenges

Social entrepreneurship has emerged as a transformative approach to addressing systemic socio-economic challenges, blending market strategies with social justice objectives [10]. Defined by social innovation, accountability, and sustainability, social enterprises diverge from traditional profit-driven models, leveraging entrepreneurial methods to catalyze social change and address market failures through financially sustainable innovations [11]. Despite definitional plurality—ranging from the OECD’s view of private activities organized for public benefit [12] to hybrid for-profit ventures with explicit social purposes [13]—these enterprises share a common focus on societal impact over pure profit, a concept that remains challenging in legal and operational terms, particularly in developing contexts like Bangladesh [13].

Bangladesh exemplifies the global potential of social enterprises, with Muhammad Yunus’ “social business” and BRAC’s “double bottom line” as prominent models. Yunus’ approach, grounded in Grameen Bank’s microfinance experience, emphasizes “non-loss, non-dividend” entities that reinvest profits to scale social impact rather than enrich shareholders [14]. BRAC’s model integrates social objectives into commercial operations, prioritizing social outcomes over profit while sustaining organizational viability [15]. These frameworks highlight the central tension in social enterprises: balancing idealism with pragmatism to navigate between unsustainable altruism and exploitative profit-seeking.

Typologies of social enterprises reflect differing strategies for integrating financial and social goals. Embedded models, like Grameen Bank, align revenue generation with mission delivery, e.g., microloans simultaneously alleviate poverty and sustain operations. Integrated models, such as BRAC’s Aarong, cross-subsidize services, using urban luxury sales to fund rural artisan programs. External models, exemplified by Friendship NGO’s Colours of the Chars, operate commercial ventures primarily to fund independent social programs, providing supportive but indirect impact [16].

Despite these innovations, social enterprises face structural challenges. Internalizing costs for fair wages, ethical sourcing, and environmental stewardship raises prices, reducing competitiveness against conventional firms that externalize these costs [17]. Geographic constraints further limit scalability, as operations in remote regions like Bangladesh’s chars (riverine islands) encounter logistical and market access difficulties. Ethical transparency compounds these pressures: social enterprises must embed accountability into sourcing, pricing, and profit allocation, demanding resources for communication, auditing, and community engagement [18]. Consumer behavior remains a hurdle, as price sensitivity often outweighs ethical considerations, limiting market support despite growing awareness [19].

Strategic development emerges as a key enabler of sustained impact. Aligning enterprise operations with broader social trends, policies, and market demands enhances resilience and amplifies social capital, ensuring long-term relevance while supporting systemic community change [20]. By prioritizing human capital, cultural preservation, and equitable growth, social enterprises foster “social efficiency,” reinvesting value into communities and challenging profit-centric paradigms [17,20].

Legal and institutional gaps continue to constrain growth. In Bangladesh, the absence of supportive frameworks limits access to tax incentives, financing, and procurement benefits, leaving social enterprises operating in regulatory grey zones [15]. Ultimately, the future of social entrepreneurship depends on market evolution. For these enterprises to thrive, consumers must recognize that ethical production—though costlier—redistributes value to marginalized communities. Unlike corporations that mitigate harm through CSR, social enterprises embed impact into every layer of their operations. Whether consumer habits will shift to support this remains uncertain. What is clear, however, is their potential to reshape business norms. From Yunus’ social business to BRAC’s hybrid model, Bangladesh exemplifies both the promise and challenges of this evolving field—a testament to the enduring tension between profit and purpose.

4.2. Current Landscape of Social Enterprises in Bangladesh

Bangladesh's social enterprise landscape today is characterized by a dynamic mix of established organizations and innovative startups addressing 21st-century development challenges [21]. Leading institutions like BRAC have evolved from post-war relief operations into hybrid organizations combining NGO, cooperative, and business elements, enabling self-sustaining models that reduce donor dependency while scaling social impact [22]. BRAC's enterprise portfolio spans agriculture, livestock, retail, healthcare, and education. Initiatives such as BRAC Seed and Agro Enterprise and BRAC Dairy integrate rural communities into value chains while reinvesting profits into social programs. Aarong, BRAC's flagship handicraft brand, supports over 65,000 artisans, predominantly women, providing market access through fair-trade mechanisms. Healthcare programs have also adopted enterprise models, offering subsidized services to enhance sustainability [23].

BRAC's financial ventures—including BRAC Bank and mobile platform bKash—have expanded access to banking for underserved SMEs and rural populations, addressing structural inequalities and supporting financial inclusion [24]. Urban programs, such as BRAC schools, now operate on self-sustaining models, charging modest fees while maintaining quality, reflecting a broader enterprise logic across health, education, and skill development programs [23]. Beyond enterprise, BRAC continues to tackle migration, disaster resilience, gender-based violence, legal empowerment, and youth leadership, demonstrating the capacity of hybrid models to combine social mission with economic viability.

Emerging ventures complement this ecosystem. iFarmer applies digital solutions to connect smallholder farmers to finance and markets, improving productivity and income. They promote sustainable agriculture, leveraging digital tools to bridge rural-urban divides. Friendship Colours of the Chars trains young women in climate-vulnerable areas in handloom weaving, natural dyeing, and zero-waste production, combining livelihood generation with environmental stewardship [25]. Education-focused platforms, including 10 Minute School, Khan Academy Bangla, and JAAGO Foundation, democratize learning for underserved populations using tech-based innovation. [26,27,28].

Social enterprises increasingly address climate change through renewable energy, climate adaptation, and sustainability-focused initiatives led by organizations such as Shakti Foundation and Practical Action [21]. Cross-subsidy and hybrid models further enhance impact, allowing profits from commercial activities to fund social programs and community projects. Youth entrepreneurship is rapidly expanding, supported by accelerators and mentorship programs that foster tech-driven, market-based solutions for social challenges [21].

Despite progress, structural challenges persist. The absence of a dedicated legal framework for social enterprises limits access to tax incentives, regulatory support, and formal recognition, creating operational uncertainty for hybrid models [22]. Social enterprises also contend with unequal competition from large corporations with superior capital, technology, and political connections, particularly in fintech, renewable energy, and e-commerce [21]. Corporations benefit from significant advantages—including easier access to capital, well-established marketing and distribution networks, technological infrastructure, and political influence—that social enterprises typically lack. Addressing these constraints through policy support, legal recognition, and capacity-building programs is crucial to sustain growth and maximize social impact.

The social enterprise landscape in Bangladesh today is a paradox of potential and progress, a playground for experimentations, and an obvious challenge to be overcome. As organizations such as BRAC continue to lead, new enterprises are innovating across sectors, including slow fashion, tech-enabled solutions, education, and climate adaptation among others. As the ecosystem continues to grow, the combination of hybrid structures, cross-subsidy models, and youth-driven innovation highlights the capacity for inclusive, sustainable development [21]. Additionally, strengthening regulatory frameworks and structural support will be essential to unlock the full capabilities of social enterprises in transforming Bangladesh's development landscape [26,27,28].

4.3. A Shift in Business Priorities: Not Business as Usual

A quiet revolution is reshaping the global business landscape. Historically dominated by profit-maximization and shareholder primacy, business priorities are now shifting toward broader societal and environmental considerations. Across sectors—from multinational corporations to grassroots startups—the prevailing question has evolved from "How much can we earn?" to "What positive impact can we achieve while doing well?" This chapter explores how social enterprise principles are transforming business norms, signaling a departure from conventional profit-driven models [29].

4.4. The Emergence of CSR, ESG, and Responsible Business

Over the past two decades, corporate social responsibility (CSR), environmental, social, and governance (ESG) metrics, and responsible business practices have become mainstream concerns for private-sector actors. Stakeholders, including shareholders, employees, and consumers, now demand accountability, transparency, and purpose. Global frameworks such as the United Nations Sustainable Development Goals (SDGs) and ESG benchmarks provide standardized indicators for non-financial performance, encouraging long-term thinking and inclusivity. ESG investments have surged, with assets under management projected to exceed \$50 trillion globally by 2025 [30]. Companies face increasing scrutiny regarding carbon emissions, human rights in supply chains, and workplace diversity. Consequently, social and environmental considerations are now core components of corporate governance and risk management.

The urgency of climate action has intensified globally, with decarbonization rates needing to increase twentyfold to limit warming to 1.5°C. Sustainability reporting and carbon trading mechanisms have expanded, while regulatory mandates such as the Corporate Sustainability Reporting Directive (CSRD) require firms to disclose environmental impacts, integrating sustainability into core strategies [31].

4.5. After Rana Plaza: Bangladesh's Transitional Period

The 2013 Rana Plaza disaster in Bangladesh, which claimed over 1,100 lives, highlighted the unethical foundations of global supply chains and the hidden external costs of fast fashion. In its aftermath, initiatives such as the Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety enforced safer workplaces and greater corporate transparency [32,33]. Consumer awareness, particularly in the Global North, surged, positioning ethical consumption as a key differentiator. The disaster created space for enterprises with inherent social missions, including sustainable fashion brands prioritizing fair wages, ethical production, and environmental stewardship. Bangladesh Bank revised CSR guidelines, allocating 30% of funds to healthcare and 20% to environmental and climate adaptation, reflecting a policy shift toward sustainable development [34].

Particularly in Bangladesh, the Rana Plaza case destabilized the clearly outlined divide between social enterprises and traditional businesses. Bangladesh's ready-made garment (RMG) sector also offers a compelling case of ethical entrepreneurship evolving within mainstream industry. Social enterprises prioritize ethical labor practices, environmental stewardship, and community impact, yet the fast fashion model—driven by rapid production cycles and low-cost sourcing—has historically contributed to pollution, excessive water use, and textile waste. In response, Bangladesh is embracing circular economy principles, such as recycling fibers, reusing raw materials, and designing for longevity, to mitigate environmental degradation and align with global sustainability standards [43].

The European Union's Corporate Sustainability Due Diligence Directive (CS3D) is poised to reshape Bangladesh's garment industry by mandating human rights and environmental due diligence across global supply chains. As the EU remains Bangladesh's largest export market, compliance with CS3D will require enhanced transparency, traceability, and sustainability reporting from local manufacturers. While this presents challenges—such as increased operational costs and technical capacity gaps—it also offers an opportunity for Bangladeshi corporations to strengthen their global competitiveness by aligning with emerging ethical and environmental benchmarks. Yet, the promise of progress must be weighed against historical realities that reveal persistent vulnerabilities [44].

Earlier incidents, such as the 2005 gas blowouts at Chhatak (Tengratila) caused by Niko Resources, had already exposed systemic imbalances, including environmental degradation and community displacement [35]. These events revealed the structural inequities in global supply chains, where corporations often outsource risks and costs to the Global South. Together, such crises underscored the urgent need for a business ethos centered on social responsibility, sustainability, and ethical governance.

Such events revealed a systemic imbalance: corporations from the Global North often outsource their industrial risks to the Global South, extracting resources or labor while exporting the environmental and human costs. In Bangladesh, this extractive model had long been enabled by weak regulation, limited accountability, and a global appetite for cheap resources and goods. The Niko blowout was one among many early warnings—disasters that exposed how little value was placed on the lives, ecosystems, and communities of the Global South. Rana Plaza, in this light, marked the point at which these longstanding injustices could no longer be ignored.

The Rana Plaza disaster was the culmination of systemic neglect — a warning echoed in prior environmental and human rights violations, such as the Niko Resources gas blowout. Together, these crises underscored the urgent need for a new kind of business ethos. In response, a wave of socially driven enterprises began to emerge, rooted in community empowerment, sustainability, and ethical governance. However, these efforts cannot flourish on values alone. Social

enterprises require robust policy frameworks to scale their impact effectively. Government incentives, regulatory support, and access to funding are crucial to empower these organizations to address social and environmental challenges sustainably. Only through this multi-stakeholder commitment can we ensure that the mistakes of the past are not repeated—and that the future of business is one rooted in justice, care, and resilience.

4.6. The Blurring of Lines Between NGOs and Businesses

Recently, the clear lines separating NGOs and businesses have begun to blur. In the past, NGOs depended on grants and donations to carry out their missions, while businesses focused on profit with little regard for social or environmental issues. Today, hybrid models are on the rise. NGOs are launching revenue-generating projects to reduce dependence on donors, while businesses increasingly incorporate social goals into their core values—exemplified by government-mandated CSR funds introduced after the Rana Plaza disaster.

Organizations like BRAC, with enterprises including BRAC Bank and Aarong, exemplify this trend [36]. Similarly, Friendship NGO operates Nodi Limited and APDS to generate livelihoods in climate-threatened regions. These hybrid models redefine value creation, measuring success not only in profits but also in societal and environmental contributions.

However, small and medium-sized enterprises (SMEs) face challenges in adopting sustainable practices. Tailored financing, policy support, and access to information—such as legal knowledge and farm productivity data—are essential to enable equitable participation and inclusive growth. Many commercial enterprises have since embraced transparency, sustainability, and community-led models while the post-Rana Plaza climate has made it increasingly necessary for businesses to embed ethics into their operational DNA, catalyzing a shift toward hybrid, impact-driven enterprises. This momentum is reflected in Bangladesh's remarkable rise in green manufacturing, with 237 factories now LEED certified—including 95 Platinum-rated facilities—signaling a growing commitment to environmental, social, and governance standards that align with the country's shift toward ethical and impact-driven enterprise [42].

4.7. Business with a Purpose

Social enterprise principles are reshaping capitalism toward stakeholder accountability. Companies are increasingly evaluated on impacts for employees, communities, customers, and the environment, rather than shareholders alone [37]. Major technology firms invest in carbon removal, reforestation, and renewable energy initiatives, while investment firms like BlackRock consider climate risk as a financial risk [38,39]. However, the expansion of data centers by these companies in water-scarce regions raises concerns about resource depletion and environmental impact [40]. The triple bottom line—people, planet, profit—is becoming central to corporate planning, and business education is increasingly integrating sustainability and social entrepreneurship.

4.8. Social Enterprises are Here to Stay

The principles that once set social enterprises apart—purpose, inclusivity, sustainability, and ethics—are increasingly shaping mainstream business practices across sectors. What was once considered niche or experimental is now influencing corporate governance, investment strategies, and regulatory frameworks. Companies are recognizing that long-term competitiveness is closely tied to social legitimacy and environmental stewardship, rather than purely financial performance. Investors, particularly those managing impact and ESG funds, are increasingly prioritizing businesses that integrate these values, understanding that enterprises attentive to social and environmental outcomes are better positioned to manage risks, adapt to change, and attract conscientious consumers [39].

This shift is evident across organizational scales. Small enterprises, such as slow-fashion initiatives in Bangladesh, demonstrate that embedding ethical sourcing, fair wages, and sustainable production can create competitive advantages by building customer loyalty and brand integrity. At the same time, large multinational corporations are pledging ambitious goals such as carbon neutrality, circular production systems, and human-rights-aligned supply chains, signaling a recognition that accountability to society and the environment is inseparable from corporate strategy. Regulatory frameworks and reporting requirements, such as ESG disclosures and sustainability directives, further reinforce this evolution, making it increasingly difficult for businesses to operate without considering their broader societal impact.

Moreover, social enterprise principles are influencing innovation and product development. Companies are designing offerings that not only generate revenue but also deliver measurable social or environmental benefits, from renewable energy solutions in underserved communities to affordable, health-oriented consumer products. These practices encourage a rethinking of value creation itself, expanding it beyond financial metrics to include social equity,

environmental resilience, and community well-being. In doing so, businesses are redefining their role in society: from resource extractors or service providers to active agents of positive change.

The rise of social enterprise also underscores the interconnectedness of economic, social, and environmental systems. Enterprises are no longer isolated actors operating in markets solely for profit; they are embedded in communities, ecosystems, and global value chains. Success is increasingly measured not only by revenues and shareholder returns but also by the tangible improvements in human lives, empowerment of marginalized groups, preservation of ecosystems, and long-term sustainability of the communities they serve. This paradigm shift challenges conventional notions of capitalism, creating a hybrid model where profit and purpose coexist, and where the most resilient and innovative businesses are those that can balance financial viability with genuine social impact.

In essence, the social enterprise ethos is no longer a marginal or optional framework—it is becoming central to how modern business defines itself. By embracing inclusivity, sustainability, ethics, and purpose as core values, enterprises are demonstrating that profitability and social responsibility are not mutually exclusive but mutually reinforcing. This transformation signals a reorientation of business priorities, suggesting that the future of enterprise will be judged as much by its contributions to society and the planet as by its bottom line.

In the wake of intensifying global crises—economic inequality, climate change, and widespread distrust in institutions—business as usual is increasingly under scrutiny. What was once considered an alternative approach to commerce—where profit is harmonized with purpose—is steadily becoming the new norm. The values that once made social enterprises stand out—purpose, inclusivity, sustainability, and ethics—are now being embraced by companies, investors, consumers, and even regulators around the world.

This shift is not merely about new types of businesses emerging; it's a redefinition of what business itself means. Success in the future belongs to businesses willing to measure their achievements not just by profits, but by the lives they uplift, the communities they nurture, and the ecosystems they protect.

Bangladesh stands out as a global beacon of social enterprise innovation. After gaining independence in 1971, the country faced enormous hardships—poverty, damaged infrastructure, and limited state capacity. In response, organizations like BRAC and Grameen Bank pioneered hybrid models of development, leveraging market tools to drive deep, scalable social change. These institutions proved that microfinance could empower rural women, that education and healthcare could reach the remotest villages through market-based solutions, and that businesses could center around social good without sacrificing financial sustainability.

Their legacy continues to inspire a new generation of Bangladeshi enterprises—such as ShopUp, iFarmer, 10 Minute School, and Friendship Colours of the Chars—which are expanding into sectors like digital agriculture, slow fashion, inclusive education, and climate resilience. These ventures are not just peripheral experiments; they are becoming central to how business innovation, investment, and impact are defined. The broader pattern is unmistakable: social objectives are no longer an afterthought. They are becoming a key driver of growth, investment, and innovation across the globe. From Dhaka to the digital boardrooms of Silicon Valley, a new model of enterprise is taking form—one that does not merely balance profit with purpose, but reimagines success itself.

One of the pivotal moments pushing this global shift was the aforementioned collapse of the Rana Plaza garment factory in Bangladesh. Beyond the humanitarian tragedy, the disaster became a global reckoning which exposed the high cost of unchecked profit-driven practices. It initiated scrutiny of supply chains, regulatory reforms, and a surge in ethical consumerism. Ultimately, the tragedy was a wake-up call: sustainability and ethics were no longer optional, but vital to business legitimacy and resilience.

This larger movement, of businesses shifting focus to sustainability and ethics, is captured vividly in the documentary *Not Business as Usual* (2014) [41], directed by Lawrence Le Lam and Rik Klingle-Watt. The film examines the unintended consequences of traditional capitalism and highlights entrepreneurs who are transforming business into a force for good. It showcases the rise of "B Corporations"—businesses legally obligated to balance purpose with profit by considering the impacts of their decisions on employees, communities, and the environment. The documentary emphasizes transparency, stakeholder accountability, and a new definition of value that goes far beyond shareholder returns.

The rise of B Corporations and hybrid organizations blurs traditional boundaries between nonprofits and businesses, opening new avenues for positive impact. Collaborations between for-profits and NGOs illustrate how shared missions

can amplify societal change. These shifts are not theoretical—they are practical, sustainable, and increasingly essential to business success.

However, this transition is far from complete. Despite optimism, structural challenges remain deeply entrenched. Social enterprises often incur higher costs due to ethical commitments—sourcing responsibly, paying fair wages, and maintaining transparency—making it difficult to compete against traditional corporations that externalize social and environmental costs. Consumer behavior also lags behind intentions: while surveys show growing interest in ethical consumption, purchasing decisions are still largely driven by price and convenience.

Yet despite these challenges, the trajectory of change is irreversible. The momentum driving social enterprise is not merely economic—it is cultural, moral, and generational. Around the world, young entrepreneurs, conscious consumers, and ethical investors are rewriting the rules of commerce, demanding that prosperity be shared and progress be sustainable. Bangladesh's journey shows that even amid inequality and crisis, innovation can emerge from empathy, and enterprise can grow from the pursuit of justice. The future of business, therefore, lies not in abandoning profit, but in redefining it—where the measure of success is found in restored dignity, regenerated ecosystems, and resilient communities. Social enterprises are not a passing trend; they represent the evolution of capitalism itself—a necessary rebalancing between human ambition and planetary boundaries. Their permanence will depend on our collective will to sustain this transformation and make “doing good” not an exception, but the expectation.

5. Conclusion

One of the most pressing issues in Bangladesh—and globally—is the absence of clear legal frameworks for social enterprises. Without formal recognition, these organizations operate in regulatory grey zones, impacting everything from access to finance and tax incentives to government funding eligibility. Even successful entities like BRAC and bKash evolved more in spite of regulatory support than because of it. In Bangladesh, the social enterprise landscape is increasingly characterized by hybrid models, blending NGO and business approaches to deliver both impact and sustainability without clear legal identity [21].

Globally, the risk of “impact-washing”—where companies adopt the language of social good without committing to measurable, authentic practices—has become a serious concern. This demands stronger frameworks for impact measurement, more rigorous standards for ethical investment, and governance models that ensure businesses stay true to their missions. Without such safeguards, the credibility of truly mission-driven organizations is at risk. Ultimately, the sustainability of this movement depends on embedding its principles into rules, regulations, and cultural norms. The new usual must be institutionalized: taught in business schools, codified into law, and supported by financial systems that prioritize long-term societal returns over short-term gains.

Bangladesh offers a roadmap, not a destination. Its story shows that meaningful change is possible even amid adversity—but the path remains uneven. For social enterprise to truly become the rule rather than the exception, governments must create enabling environments, investors must align capital with conscience, and consumers must act as active participants in ethical change.

The age of purposeful business is not just arriving—it is being contested, built, and reshaped in real time. But we must remain clear-eyed: this transformation is not yet universal. It is a vision still in progress, requiring vigilance, commitment, and honest reckoning with the complexities of real-world change. The “new usual” is not inevitable; it must be actively and collectively realized.

Bangladesh's experience also underscores a broader truth: social enterprise thrives where community, creativity, and resilience converge. The informal and community-driven nature of many initiatives reflects a deep-rooted culture of solidarity and adaptive problem-solving. From rural artisans sustaining traditional crafts through fair trade models to youth-led enterprises addressing digital inclusion, these ventures demonstrate how local innovation can inform global practice. Yet, scalability remains a challenge—too often, promising social ventures plateau due to limited policy support, inadequate funding mechanisms, and the absence of measurable impact frameworks. Strengthening linkages among academia, private sector investors, and social innovators could help bridge this gap, transforming isolated successes into systemic change. By fostering education, research, and evidence-based policymaking, Bangladesh—and indeed the world—can ensure that social entrepreneurship is not a peripheral experiment but a core driver of equitable and sustainable development.

The global significance of Bangladesh's experience lies not only in its innovation but in its replicability. As nations across the Global South confront overlapping crises of inequality, climate vulnerability, and youth unemployment,

Bangladesh's hybrid models offer a template for adaptive resilience. Regional cooperation—through shared learning networks, South–South partnerships, and cross-border investment in ethical enterprises—can amplify these lessons. Multilateral bodies such as UNDP, ILO, and OECD are increasingly emphasizing inclusive business ecosystems that merge development goals with market mechanisms. By integrating Bangladesh's community-driven innovations into global dialogues on sustainable enterprise, policymakers and practitioners can move beyond isolated interventions toward a cohesive framework for social innovation. Such collaboration ensures that social entrepreneurship evolves not as a patchwork of local experiments, but as a coherent, scalable response to twenty-first-century development challenges.

What was once called an alternative is becoming the rule. The mindset of "not business as usual" has evolved from a fringe movement into a mainstream policy imperative. It does not merely ask how businesses can do less harm; it demands that they actively do social good. It challenges us to redefine business success—by lives uplifted, ecosystems protected, and futures made possible. From Bangladesh to the world, the shift is underway. And though the road is long, the direction is clear.

Compliance with ethical standards

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Statement of ethical approval

This study is based on secondary research that synthesizes and analyzes existing literature, data, and publicly available information. Therefore, it did not involve any experiments or direct interaction with human participants or animals, and no ethical approval was required.

Statement of informed consent

Since the research did not involve primary data collection, human subjects, or personal information, informed consent was not applicable. All materials used were drawn from previously published and publicly accessible sources, and proper citation and academic standards have been maintained throughout.

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