

## **BANGLADESH**

Md Nazmul Hasan, Doctoral Researcher, Royal Holloway, University of London

Md Shafiqul Islam, Assistant Professor, University of Liberal Arts Bangladesh

### **National context**

Bangladesh is the youngest country of the South Asia region. With more than 160 million people living in 56,977 square miles, it is one of the most densely populated countries in the world. Bangladesh has made reasonable progress in reducing poverty, maintaining economic growth, achieving gender parity in education and eliminating famines and severe epidemics. Even so, due to its geographical position, Bangladesh is a disaster-prone low-lying country that faces serious environmental challenges, especially the effects of climate change.

A few multinational subsidiaries have plans for sustainability, but for most local enterprises in Bangladesh, the concept of sustainable and socially responsible business is still unknown. The textile (ready-made garments, or RMG) industry has been especially heavily criticised for poor occupational safety, bad working conditions and unsustainable production processes. The tragic Rana Plaza building collapse in 2013 brought many of these issues into focus in Bangladesh and around the world.

### **Priority issues**

Despite strong economic growth (6.1% in 2013-2014), Bangladesh's economy is hampered by political unrest, deteriorating relationships with key export markets and weak government policies on trade and industry. The country depends heavily on remittances from expatriate workers and export earnings, both of which are declining (Centre for Policy Dialogue 2014). According to latest data from the Central Bank of Bangladesh, remittance inflow decreased by more than 8% in the first half of 2014, compared with a 22% rise the previous year. Experts believe that this reduction is due to a decrease in the export of manpower, a lack of inclusive policies and on-going political instability (New Age 2014).

One major challenge for the current government is to win back the GSP (generalised system of preferences) to export duty-free products to the US market. This was removed by the Obama administration in 2013, citing serious shortcomings in safety standards and factory workers' rights, especially in the garment sector. This affects not only textiles, but also tobacco, sporting equipment, porcelain and plastic products. Other economic challenges for the government include raising tax revenues and curbing expenditure growth, as well as increasing domestic demand for home-produced products and developing new export markets.

Besides these social and economic issues, Bangladesh is one of the most affected victims of climate change, which exacerbates the tropical monsoon conditions with frequent floods, droughts, cyclones, river erosion and landslides, causing huge damage to lives and properties (UNESCO 2012). Human and industrial activity also degrades the land, causing salinity, soil contamination, deforestation, water pollution and a falling water table (Ministry of Planning 2013). Environmentally harmful industrial growth is especially prevalent in the tanning, textiles, shipbuilding, brick building and automotive sectors.

### **Trends**

With the help of key development partners, international NGOs and local government (in some cases), sustainability is being applied to a variety of domestic industries. For instance, the SWITCH-Asia Programme, funded by the European Commission, is running a project to strengthen the export competitiveness of Bangladesh through promotion of environmentally

friendly jute products. In 2012, the programme successfully completed another project that helped the Bangladeshi leather industry to reduce environmental impacts and increase the exportability of leather products.

Another example is the United Nations Development Programme (UNDP) 5-year project for 'Improving Kiln Efficiency in the Brick Making Industry'. The project aim is to remove barriers to the widespread adoption of energy efficient kilns and energy efficiency practices for the brick-making industry in Bangladesh. A complementary project funded by the Asian Development Bank (ADB) is promoting market awareness and generating demand for funds to construct energy efficient kilns.

The financial sector is also showing positive signs. For example, Bangladesh Bank adopted a green banking policy in 2011 and the government has recently provided aid to a local agency (with support from the World Bank) to devise a credit scheme for marketing solar home system units and making these an affordable alternative to grid electricity for poor people in remote areas (World Bank 2013). On the other hand, a controversial political decision to build a large coal-fired power plant near the Sundarbans (the biggest mangrove forest in the world and a World Heritage Site) faced serious protests from environmentalists and local people throughout 2013.

### **Government policies**

The most recent National Industrial Policy (2010) states that the government plans to provide incentives (tax and duty exemptions) to promote the adoption of environmentally sound manufacturing processes and practices. This includes providing facilities for waste recycling to encourage entrepreneurs to pursue the 3Rs (Reduce, Reuse and Recycle). The government has committed to support investment in projects designed to reduce the emission of greenhouse gases under the Kyoto Protocol's Clean Development Mechanism (CDM). Particular emphasis is also placed on the organic pesticide industry in order to protect the natural environment from the destruction of useful insects, soil microbes and aquatic life. Most recently, the government's ambitions have been captured in its 2013 National Sustainable Development Strategy (NSDS).

### **Case studies**

#### ***Kazi Shahid Foundation***

[www.kazishahidfoundation.org](http://www.kazishahidfoundation.org)

Kazi Shahid Foundation (KSF) was founded as a non-profit dairy cooperative to support KKTE. It is based on an innovative approach of providing beneficiaries with cows instead of cash. The cost of the cow is then repaid in milk and cow dung. Local people, especially women, are heavily involved in contract dairy farming, which could boost both their economic and their social status. KSF has seven branches where 1,060 members are engaged in contractual dairy farming. Two of these branches are now financed by Palli Karma Shahayak Foundation's LIFT project, which is expected to expand. Most of the beneficiaries of KSF cooperatives have now become entrepreneurs and started dairy cow rearing and selling milk and dung. Most of the members (particularly women) did not have any source of income before joining KSF, but now their income level has significantly increased from BDT 5,000 (approximately £40) to BDT 10,000 (approximately £80) per month.

### ***mPower Social Enterprises Ltd.***

[www.mpower-social.com](http://www.mpower-social.com)

mPower Social Enterprises was founded with a view to leveraging the revolution in technology and mobile communications to help address development challenges. Harvard graduate Mridul Chowdhury, Rubayat Khan and their colleagues first tested their ideas in Africa, but given Chowdhury's ties to Bangladesh, in 2008 Click Diagnostics was started in Dhaka. The initiative was later renamed mPower Health, to reflect the company's expansion beyond remote diagnostics into holistic health systems management, before being given the even broader name of mPower Social Enterprises.

Clients are the many donors and NGOs operating in Bangladesh, which implement various development projects each year. For example, they have provided consultancy services to the Stimulating Household Improvements Resulting in Economic Empowerment (SHIREE) project, which is a partnership between the UK Department for International Development (DFID) and the Government of Bangladesh (GoB) to combat extreme poverty. With nearly a million programme beneficiaries throughout the country, serviced by over 40 implementing partner NGOs, monitoring partners and tracking progress is extremely difficult.

By 2013 the company had grown and begun to make a profit, although it inevitably experienced some growing pains. Chowdhury and his colleagues had to adapt to the demands of a larger company, and to generate solutions to different types of problems.

### ***Pabna Meat***

[www.pabnameat.com](http://www.pabnameat.com)

The idea of Pabna Meat was conceived by Md. Liaquat Ali, a director of Bengal Meat, the largest meat processing company in Bangladesh. He envisioned an entirely vertically integrated business producing quality organic meat for the end consumer. The business model allows rural women to rear cattle by feeding them organic food and then sell the fattened cattle to the company as a source of income. It is a potential win-win scenario: Pabna Meat obtains the cattle it needs, and the women improve their standard of living.

Among the obstacles faced were low-income levels among rural women, who did not have the money to purchase and rear cattle, and inadequate training. Ali's solution was to put together a four-way collaboration between Pabna Meat, the Business Innovation Facility (BIF), a group promoting inclusive businesses, Practical Action Bangladesh, a national NGO working with rural women, and Bangladesh Association for Social Advancement (BASA), a listed microfinance institution in Bangladesh. Pabna Meat is now supplying processed meat and meat products in a number of five star hotels and high-end restaurants within the capital.

### ***Teatulia***

[www.kazitea.com](http://www.kazitea.com)

Kazi & Kazi Tea Estate Limited (KKTE) is a 1,400-acre organic tea plantation located in the north-western part of Bangladesh. Founded in 2000, by 2013 KKTE was producing over 300,000 kilograms of tea, 50,000 kilograms of which were being sold under the brand name Teatulia, the first branded Bangladeshi tea in the US market. Teatulia is grown using sustainable agricultural practices, and it commands a premium price in recognition of its quality. The lives of many people in the KKTE areas have improved noticeably, as has the local economy.

Many local farmers grow their own tea, and over 2,200 people, mostly women, are employed in the tea plantation and its vegetable, herb and dairy operations. They are paid market-rate

wages on time, unlike many wage earners in the region. Workers receive training in organic cultivation and also in composting, mulching and pest management. Local people also benefit indirectly by supplying sand, topsoil, stone, dairy feed, bamboo and other materials used in the tea plantation and its dairy and vegetable operations. KKTE has helped local people to build hundreds of safe latrines, conducted health and hygiene programmes, and distributed sports equipment to local people.

### **Further resources**

**GIZ** (German Society for International Cooperation) - Has been helping Bangladesh on a number of sustainable development projects since 1972. [www.giz.de/en/worldwide/351.html](http://www.giz.de/en/worldwide/351.html)

**Katalyst** - A private sector development project that aims to contribute to sustainable economic development both in rural and urban areas of Bangladesh. [www.katalyst.com.bd](http://www.katalyst.com.bd)

**Reed Consulting (Bangladesh) Ltd.** – An international consulting firm working on private sector development in Bangladesh since 2006. <http://reedconsultingbd.com>

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## **Biographies**

***Md Nazmul Hasan*** is a PhD candidate (recipient of the prestigious ‘Dean’s Scholar in Management’ award) at Royal Holloway, University of London. He holds an MRes (ESRC-recognised) in Business and Management (Distinction) from the University of Stirling (Scotland) and an MSc in International Business (Distinction) from the University of Dundee (Scotland). Hasan’s research interests include, but are not limited to, Corporate Social Responsibility (CSR) in Developing Countries, Sustainable and Socially Responsible Business and Economics of Education.

<https://pure.royalholloway.ac.uk/portal/en/persons/md-hasan%28ffbb8502-6ddb-4f01-86e3-c43f5bbc81f6%29.html>

***Md Shafiqul Islam*** is an Assistant Professor at the Centre for Sustainable Development (CSD), University of Liberal Arts Bangladesh. He has done extensive research in the field of nature conservation, agricultural production, sector assessment and bio-intensive gardening. His teaching interests include natural resource management, organic farming, biodiversity and nature conservation, green business, indigenous knowledge, sustainable development and development planning. <http://www.ulab.edu.bd/community/pg/profile/msi>