

Social Business Enterprises – Maximising Social Benefits or Maximising Profits? The Case of Grameen-Danone Foods Limited

Abstract

Where the concepts of *free markets* and *capitalism* have been lauded to bring freedom and choice, they have been held responsible for bringing much worldwide social and economic disparity. Critics have blamed them for widespread crime, corruption and poverty. Wary of such consequences, entrepreneurs have come with an innovative solution: running businesses on a no-loss basis, combined with a social and moral cause. This paper looks at the core concepts that lie at the heart of capitalism and free markets, and redefines the enterprise as an entity that not only operates to maximise profits, but also works towards a righteous cause. The paper discusses the basic features of a social business enterprise (SBE) and provides an illustration of the theoretical framework; the second part of the paper presents the case of Grameen-Danone Foods Limited (GDFL), a social business enterprise. It carries a detailed analysis of its rationale, incorporation, product, operations, and the challenges it currently faces. The paper concludes with a note on the benefits which such a social enterprise brings, and surmises future prospects.

Keywords: Poverty, Free markets, Social enterprise, Food processing, Corporate philanthropy, Rural marketing, Bangladesh

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