Social Responsibility, Business Strategy and Development: The Case of Grameen-Danone Foods Limited

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Abstract

The aim of this paper is to study the phenomenon of Social Business Enterprises (SBEs) and gain an understanding of their nature, operations, objectives and implications by using Grameen Danone Foods Limited (GDFL) as an illustration. Within this context, some questions that this paper seeks to explore are: is the concept of Social Businesses just another 'fashionable business marketing fad' that will fade and wither with time, or does it offer a real workable solution to cure the ills of global poverty? The paper seeks to investigate, with Grameen Danone's case, if, how and to what extent such social businesses help towards social and economic uplift of the poor by simultaneously being both suppliers and consumers of their services. The case of GDFL is evaluated critically and compared analytically with similar social businesses in the dairy business sector, in order to gauge its impact on local communities, especially on the target market – malnourished children. Finally, project sustainability is discussed along with consequences of a possible commercial scale-up in operations.

Keywords: Non-profit organisations; social business enterprises; dairy industry; Bangladesh

INTRODUCTION

Ever since the birth of the 'corporation', critics have cited the innately flawed foundations of the shareholder-centric model and the recent financial meltdown has been blamed on the pursuit of making *'the quick buck'*, disregarding the impact of actions on the wider economy (Kelly, 2009). The inherent corporate design – a design that bestowed massive governance power on short-term shareholders, who unfortunately, had least interest in long-term performance or the ensuing impacts on the wider, external community (*ibid*) – aimed at achieving targets by any means possible. The basis of the present-day corporation is rooted in the concept of free markets and as opposed to other market systems; the *free market economy* is guided by a free price system, through the mechanism of demand and supply. 'There is no freedom without free enterprise' states Bartlett (1998), since it gives freedom to producers and consumers concerning what and how much to produce and choose, and on decisions concerning production and distribution. However, the concept of free markets comes with some disadvantages as well. The most obvious

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one being what Yunus (2006) refers to as the creation of a 'one-dimensional human being', thus leading to *'conceptual restrictions'* imposed on the players in the market: 'this originates from the assumption that entrepreneurs are one dimensional human beings'. Consequently, this interpretation leads to forming an opinion that all business activities are conducted with the exclusive objective of maximising profits (Yunus, 2006a).

The remainder of the paper is organised as follows: the next section examines how social entrepreneurs view capitalism as being limited in scale and too narrow in scope. It further explores how the character of capitalism can be transformed radically by re-defining the entrepreneur in a broader sense. This section leads to a discussion on the basic features of a social business enterprise, which is followed by a discourse on the formation and operational structure of Grameen Danone Foods Limited (GDFL), and gives an in-depth account and critique of the factory, its product, the rationale behind selecting and manufacturing yogurt, marketing and consumer behaviour models and the current challenges faced in sales and marketing. Prior to drawing general conclusions in the last section, the paper compares the performance of GDFL's operations with similar social businesses in the dairy sector and looks at the plant's revenue generation, profitability and consequences of a possible scale-up in operations.

UNDERSTANDING THE CONCEPT OF 'SOCIAL BUSINESS ENTERPRISE'

Modern day enterprises are faced with problems of *'conceptualisation failure',* the failure to capture the true essence of the human being. Prasso (2007) elucidates the thought further: 'to put it simply, Yunus believes *not* that Adam Smith's concept of profit-motivated, free-market capitalism is flawed, but that it is *too limited*. The conventional thinking that capitalism breeds wealth creators and competitors who subsequently spread that wealth by creating jobs and opportunities for the good of societies has not worked out very well for the majority of the world'. Yunus and Weber (2007) illustrate the imbalances in the global distribution of income by quoting figures: 94 percent of world income goes to 40 percent of the people, while the other 60 percent must live on only six percent of the world income. A landmark report released by The World Bank (2008) estimated the global poor now exceeding an estimated 1.4 billion, up from around 1 billion as per previous estimates (Faiola 2008). This amounts to over a fifth of the total world population. According to The World Bank (2005) there has not been a measurable acceleration in the eradication of poverty in the developing world in the past decade, as almost one-third of the countries have shown no increase in GDP per capita since 1980 and overall, some 50 percent of developing countries showed an increase in the number of people below the poverty line of US$1 per day during the 1990s.

Delivering the Nobel Peace Prize Lecture, Yunus (2006) further argued that by re-defining the *entrepreneur* in a broader way 'we can change the character of capitalism radically, and solve many of the unresolved social and economic problems within the scope of the free market. Let us imagine an entrepreneur who, instead of having a single source of motivation (such as maximising profit), now has two sources of motivation, which are mutually exclusive, but equally compelling: a) maximisation of profit, and b) doing good to people and the world. Each type of motivation will lead to a separate kind of business. Let us call the first type of business a *profit-maximising business*, and the second type of business as a *social business*'. The result will be a new world of business where enterprises will be of two kinds: (1) The well-known and well-established *profit maximising kinds*, which are devoted to making private gains alone (these can be called Profit Maximising Enterprises or PMEs), and (2) The *social benefit-maximising* kinds, which are created to do good to people, rather than operating with the sole intent of making private gains (Social Business Enterprises or SBEs).

The first category is the one about which we all know, the traditional capitalist operating within the realm of the free-market economy with the sole objective of earning as much profit as possible. The other is what Yunus (2006) refers to as the *'social entrepreneur'*, and describes as 'anyone who is offering his time, energy and commitment to address any social or economic problem of a group or community. The problem addressed may be a small local problem or a big global issue. The action required may or may not require money, and it may even be a personal campaign for or against something'. The Department for Business, Enterprise and Regulatory Reform (2007), on the other hand, describes an SBE quite comprehensively as 'a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners'.

The problem with Yunus's two-part division of organisations is that it is over-simplified, since most organisations of today transgress such distinctive boundaries and perform beyond the realm of the objectives for which they were initially established. According to Borzaga and Defourny (2001), *social enterprise* is a relatively new term and has been promoted extensively throughout the world. The dilemma that surrounds its meaning can be explored by reviewing the contexts in which the term is now increasingly achieving recognition. A national economy can be conceptualized as having three distinct sectors (Billis, 1993; Pearce, 2003). '*First*, there is an economy that supports the state, a public/state sector comprising state institutions as well as publicly owned and funded organisations. *Second*, there is a private economy that co-exists and competes with the state: it is comprised of businesses that enable people to earn money and make a living. *Third*, there is a sector with organisations established by people on a voluntary basis to pursue social, charitable and community goals' (Ridley-Duff *et al.,* 2008).

Let alone Yunus's *two-part theory*, critics argue that the problem with even a *three-sector* analysis of the economy is an over-generalisation of the way businesses are run today. They argue that such division is too big a simplification and it tends to marginalise those organisations which transgress the boundaries of these distinctive definitions, for example, co-operative enterprises (owned by employees, producers or consumers) cross the boundary between the private and voluntary sectors (Oakeshott, 1990). They often have a social or community goal, but are usually set up to negotiate and distribute social and financial benefits equitably rather than prioritise the social and financial goals of the founders (Ridley-Duff, 2002). In addition, they frequently adopt the democratic practices of the state sector by having elections for senior positions and assemblies of people who can directly question executive authority (Ridley-Duff et al., 2008).

Social businesses work in a similar fashion to co-operatives, which are usually structured so that the profits are either ploughed back into the co-operative or distributed amongst members. Co-operatives are independent enterprises that are jointly owned and democratically run by members to meet their common, shared goals. They are unique in being user-owned, user-controlled and user-benefited, and are oriented to deliver benefits to their members. The history of the modern co-operative dates back to the agricultural and industrial revolutions of the 18th and 19th centuries. According to The Social Enterprise Coalition[*], the pioneers of social enterprise can be traced at least as far back as the 1840s in Rochdale, where a workers' co-operative was set up to provide high quality affordable food in response to factory conditions that were considered to be exploitative. Today, this is known as *The Cooperative Group.*

According to the Coalition, 'social enterprises cover a huge range of industries: Cafédirect is the UK's largest Fairtrade hot drinks company; The Elvis & Kresse Organisation (EaKo) takes industrial waste materials, turns them into stylish luggage and hand bags and donates 50 percent of the profits to the Fire Fighters Charity; Hill Holt Wood educates at-risk youth in an ancient woodland; Central Surrey Health is a pioneering social enterprise in the healthcare world that is run by the nursing and therapy teams its employs; Green-works takes office furniture that would have been sent to the landfill and offers it at a large discount to charities and other organisations. *The Big Issue,* the Eden Project, Divine Chocolate, a fair trade chocolate company co-owned by the cocoa farmers' cooperative Kuapa Kokoo in Ghana, and Women like Us, which connects women with flexible employment' (Social Enterprise Coalition, 2009).

Although GDFL has been claimed to be the 'first purpose-built social business enterprise' (Yunus and Weber, 2007), there are instances of enterprises already operating with similar objectives. Let us look at two cases from a single sector, the dairy industry: Amul from India and Tetra Pak from Sweden.

Gujarat Cooperative Milk Marketing Federation (GCMMF) is India's largest food products marketing organisation. It is a state-level apex body of milk cooperatives, created and managed by 2.7 million farmers, which aims to provide remunerative returns to farmers while serving the interests of consumers by providing quality products. Its products include milk, butter, cheese, ghee, ice cream, beverages, pizza and milk powder marketed under the brand name 'Amul'. The Amul model is a unique model of cooperative development since it has significantly reduced the presence of rent-seeking middlemen from the dairy business in India. It has empowered farmers through skills of procurement, processing, marketing and more recently of being in direct touch

[*] Established in 2002, The Social Enterprise Coalition is the UK's national body for social enterprise. It represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership of more than 10,000 social enterprises.

with the customer through retailing. This ensures not only fair returns for milk produced, but also a never before closeness to the market, facilitating a real-time feel of its pulse. The model operates through a massive network by collecting milk from almost 12 million farmers and subsequently testing, grading and transporting it twice a day from more than 100,000 villages across 10,000 routes to about 200 dairy plants which process, pack and send it to the market in more than 800 big and small towns every single day of the year (Kurien, 2004).

Amul Member Unions have developed self-leadership among member producers, thereby enabling and empowering them to manage their dairy business efficiently and leading to their overall development. Such efforts have prompted milk producers to initiate activities such as water management, planned animal breeding, feed management, artificial insemination, mass de-worming campaigns, cleanliness drives, improved member services management, information technology integration and networking, which have very far-reaching and long-term effects on the milk business. Such efforts have generated millions of days of employment for the rural poor and improved their socio-economic condition (Bhatol, 2007). The World Bank in its evaluation of the Amul model concluded that dairy cooperatives have shifted dairying from a sideline activity to a serious economic enterprise, making it the major source of farm income (Candler and Kumar, 1998). This report also emphasised that dairying has given women some measure of economic independence, thereby empowering them to participate more actively in household decision making. Cooperatives have indeed done more for the emancipation of Indian women than centuries of social reforms. While ensuring that women are able to work from home, the withdrawal of females from farm labour also created ample employment opportunities for landless labourers.

The Swedish company *Tetra Pak* successfully operates similar projects. Through their '*Food for Development'* programme, they provide 40 million school children around the world with nutritious, fortified milk, simultaneously creating jobs along the entire food processing chain (Tetra Pak, 2007). The programme works with partners to promote socially, economically and environmentally sustainable agricultural, feeding and food development programmes. It aims to actively build and support partnerships for development by employing the knowledge, products and expertise of its existing development projects worldwide. Through the Food for Development programme, Tetra Pak claims that not only has dairy and farming productivity been substantially improved, but it has also significantly improved the health status of children and increased school attendance, in addition to creating various opportunities for income and employment amongst local communities.

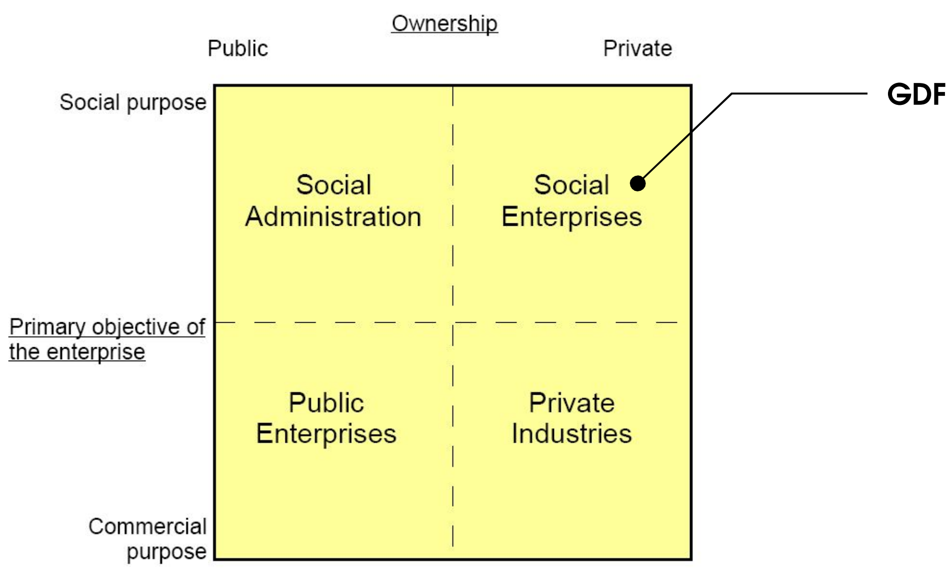
Groupe Danone is a multinational corporation and a leading French food company[*], a global leader of fresh dairy products and a joint leader in the bottled water, biscuits and cereal products market. Its strong market presence has been made possible through prominent household names that include Danone, Volvic, Evian and LU. Ever since its incorporation, Groupe Danone has built its growth and reputation on its ability to offer consumer products that combine health and

[*] The company dominates the food market with a global presence of over 200 facilities located across more than 120 countries and employs over 90,000 staff. In 2006 its consolidated turnover was above USD 16 billion.

well-being (Sultan 2006). Grameen Bank, on the other hand, has been working for the social and economic uplift of the poor and disadvantaged around the world for over thirty years, through a range of credit, savings, insurance and advisory programmes. Today, it has over 20 subsidiaries and serves more than 7.5 million clients spread across more than 82,000 villages (Grameen Bank, 2008). In GDFL[*], the Grameen Bank is represented by four of its subsidiaries: Grameen Business Promotion Services, Grameen Welfare, Grameen Energy and Grameen Telecom. GDFL, a joint venture between Group Danone and Grameen Bank integrates the values of the requirements for a successful business and social concerns.

Social, political and economic contexts make it especially difficult to define the precise limits of the social economy. As a plausible solution, Leonhardt *et. al.* (2007) propose the 'Social Enterprise Compass', which attempts to locate enterprises and various organisations in the field between the private and public sectors (see Figure 1). The horizontal axis differentiates organisations on the basis of ownership, which lies with state authorities on the left side and private entrepreneurs on the right. The vertical axis categorises organisations on the basis of their principal aims, which range from social objectives at the top, to commercial at the bottom.

Figure 1: The Social-Enterprise Compass



Source: Leonhardt et al. (2007)

[*] Their first, and currently their only, manufacturing unit in Bangladesh has been established on 800 square metres of land in Banani Betgari, an area close to Bogra town, some 220 kms north-west of the capital, Dhaka. The 7,500 square feet factory currently processes around 6,000 litres of milk daily to produce 3,000 kilograms of yogurt, ultimately targeted for increasing up to 10,000 kilograms per day by the third year and beyond. The facility is manned by a total of 35 staff.

Since GDFL is privately owned and has a social as opposed to a commercial purpose, it lies in the social enterprise quadrant as shown above.

GRAMEEN DANONE FOODS AS A SOCIAL BUSINESS ENTERPRISE

Why Yogurt?

The UN World Food Programme (2007) estimates that 115 million school-aged children do not go to school and 97 percent of these children live in developing countries. Several studies prove the beneficial impact of school feeding on both health and school performance. A recent study by the International Food Policy Research Institute (IFPRI) on the impact of school feeding in Bangladesh concluded that 'SFP (School Feeding Programme) improves child nutritional status. The report concluded that it increases the body mass index (BMI) of participating children by an average of 0.62 points, which represents a 4.3 percent increase compared to the average BMI of schoolchildren in the control group – a sizable increase that is partly due to the fact that most participating children were undernourished to begin with. According to the report, an extremely high percentage of mothers report several positive effects of the SFP on their children. It was, for instance, noted that children's interests in attending school and concentration on studies increased; they became livelier and happier than before, and their incidence of illness consequentially declined. Moreover, empirical assessments showed that participation in the school feeding program increases test scores by 15.7 percentage points and participating students do especially well in mathematics' (Ahmed, 2004).

After extensive market surveys and several trial products, GDFL settled for manufacturing fortified yogurt targeted towards children. Why yogurt? According to Yunus and Weber (2007), 'as a dairy product, yogurt contains many healthful nutrients. The active cultures in yogurt are also beneficial because they promote good intestinal health and reduce the effects of diarrhoea, a deadly scourge in the developing world'. 'The yogurt that we manufacture at the plant is fortified in order to curb malnutrition' explains Sarkar (2007), 'by being produced from fresh and pure whole-cream milk, containing an average of 3.5 percent fat, and by additives such as cornstarch, date molasses, sugar and micro-nutrients (vitamins, iron. protein, iodine, zinc, calcium, etc.). Vitamin A is added to the formula specifically, since it is beneficial for the eyes, while iodine helps maintain normal thyroid function. The formula is so rich that a single 80-gram cup provides 30 percent of a child's daily requirements of vitamin, iron, zinc and iodine'. In order to ensure adherence to premium quality standards, all other ingredients (apart from milk and date molasses) such as cornstarch and micro nutrients (vitamin, iron. protein, iodine, zinc, calcium, etc.) are imported and supplied by Groupe Danone itself (Romieu, 2007).

The impact of yogurt on children's health is contested. In collaboration with the Centre for Micronutrient Research, GAIN (Global Alliance for Improved Nutrition) and Johns Hopkins University, a study to determine the nutritional impact began in August 2008 and is expected to conclude in February 2010. This study will evaluate the impact of fortified yogurt on morbidity, growth, cognitive development and status indicators. It will evaluate fortified versus non-fortified yogurt and fortified yogurt versus no regular yogurt consumption at all.

Grameen Danone Foods Limited, Commercialisation and Social Benefit

Affordable product pricing and keeping overheads to a minimum have been the major challenges for GDFL so far. The primary raw material (milk) is obtained from a variety of sources, collected by specially refrigerated vehicles that operate across various collection centres. Premium quality full-cream milk is supplied to these centres by individuals who are mostly able to raise cows by obtaining micro-loans from Grameen Bank. The only current product is fortified yogurt sold in plastic containers. Milk comprises almost 65 percent of its overall cost, and while it was priced at 20 Taka[*] per litre when the plant started operating in late 2007 it has nearly doubled in price over the past year. Significant increases in labour costs (which make up around 30 percent of overall costs) have been noted as well.

The first product launch was one flavour in a single sized cup. This was priced at 5 Taka and was sold in 80 gram containers. Even at that stage GDFL was struggling to break even, and subsequent to the price hikes in overheads and raw material, the price was raised by 60 percent to 8 Taka for an 80 gram container. Understandably, sales plummeted and revenues went down. The company was eventually forced to reduce the price and size to 6 Taka for a 60 gram container. The nutrient fortification was maintained at 30 percent of the recommended daily intake, so that children could still benefit in terms of nutrition. The original 80 gram, 8 Taka version is still being sold through fixed shops as opposed to mobile vendors. Although the plant is designed to produce 83,000 cups per day, it is currently working at just one percent of its full capacity. Break-even is reached at 45,000 cups per day; therefore the plant is currently losing around 1.5 Taka per cup and hence incurring a net loss of 25 percent per cup.

The other major challenges are sales, distribution and marketing. Due to its perishable nature, yogurt is particularly difficult to market. The current 72-hour shelf life has proven to be inadequate in the warm Bangladeshi climate. Danone is currently working to come up with innovations that will increase the shelf life to at least 7 days. Yogurt has a thick consistency when cool, but starts to become runny when it is removed from a chilled atmosphere. This acts as a major impediment in its distribution. It has to be refrigerated to maintain its thick consistency, and most of the women involved in sales do not have refrigerators; even if they have them, frequent power blackouts are always a major threat to the product. Although the nutrition and the quality are not affected instantly, consumers have an aversion to the yoghurt if it is supplied in a runny state, which makes it even more difficult to sell.

Sales are carried out through ‘yogurt ladies’ who are existing Grameen Bank borrowers. After a two-day induction and training programme, each lady is assigned a territory which typically

[*] 1.00 USD = 68.80 Bangladesh Taka (BDT)

includes two village organisations (these are formed of Grameen borrowers for organisational purposes and meetings are held every week to collect loan instalments. There are 50-80 Grameen borrowers in each village organisation). Yogurt is currently being distributed via two channels: through five bank branches, each having approximately 35 yogurt ladies (about 175 ladies operate through the branch network), and secondly the factory itself manages about 70 additional such ladies. Some sales, especially of the larger 80 gram containers, are also being made through local shops.

Each morning, yogurt ladies pick up their daily stock of 48 containers (of 60 gram packs) from the designated bank branch. They then carry them in insulated carrying cases by foot or rickshaw to a centre meeting. They sell yogurt in the meeting and by going from door to door in the village. Each lady pays cash upfront when collecting her stock, at the wholesale price of five Taka; she sells each container at six Taka, and keeps the one Taka difference. Sales figures may vary for a number of reasons, such as the particular lady concerned, weather, village, timing, demographics, locality, etc. If she manages to sell all her 48 containers, she earns 48 Taka per day, less say 10 Taka for the rickshaw, i.e. 38 Taka for at least five hours of hard work. Presuming she works five days a week, she nets 760 Taka ($10.50 per month). Given the low return, long hours and effort required, none of the ladies that we interviewed and observed were doing this business on a full-time basis, but were selling yogurt to supplement their income (mostly agricultural activities or raising livestock). At the moment 48 containers is the maximum supplied to each lady to avoid wastage. Since unsold stock is the company's responsibility, GDFL would rather have the ladies sell less than have to scrap unsold stock due to lack of refrigeration and the short shelf life.

Viewed from the *Bottom of the Pyramid* perspective (Prahalad, 2004), the Grameen Danone initiative does actually target the poor in terms of marketing a beneficial commodity; however, in terms of profitability, GDFL still seems to be struggling to break even despite raising the price and decreasing quantity. Although making a profit is not it's the company's sole objective, to recoup investments and to keep afloat it should at least break even, which it has not yet been possible despite being almost in its third year of operations.

While Prahalad's theory has won worldwide acclaim and has been hailed as a 'fresh approach' to eradicate poverty (Chu, 2007; Hammond et al., 2007; Prahalad, 2004; Sachs, 2006; Collier, 2007), it has simultaneously come under heavy criticism. Karnani (2007) bitterly condemns Prahalad's theory and refers to it as an erroneous belief that is too good to be true and 'at best a harmless illusion and potentially a dangerous delusion, since the BOP argument is seductively appealing and riddled with fallacies, because there is neither glory nor fortune at the bottom of the pyramid – it is all merely a mirage'. 'The BOP proposition' asserts Karnani, is both 'logically flawed and inconsistent with the empirical evidence, which has serious implications for both firm strategies and public policy'. While adopting a contradictory standpoint, he proposes an alternative perspective on how the private sector can help alleviate poverty: 'rather than focusing on the poor as consumers, we need to view the poor as producers. The only way to alleviate poverty is to raise the real income of the poor' (*ibid.*).

Going back to the GDFL business strategy, milk is in fact supplied by Grameen Bank microcredit borrowers. Karnani's theory that the poor should be viewed as producers and suppliers as opposed to mere consumers seems to apply to some extent in this scenario. Ideally even the packaging and micro-nutrients used for fortification should be locally produced instead of supplied by Groupe Danone. While Prahalad believes that the BOP market is very large and profitable, Karnani contests that it is 'quite small and unlikely to be very profitable, especially for a large company'. Incidentally, almost all the reasons cited by Karnani apply to our study of GDFL: broad geographical spread, cultural heterogeneity, weak infrastructure (transportation, communication, media, and legal) greater marketing and distribution costs, lack of economies of scale, greater costs per transaction, etc. Grameen Danone was established as a social business enterprise to operate on a no-loss basis, and to earn, recoup and re-invest profits in the enterprise. Its core objectives included providing health benefits to malnourished children by providing them with low-cost fortified yogurt, while simultaneously creating employment opportunities within local communities. Almost three years down the line, and following massive technical and financial inputs, GDFL is still struggling to operate at break-even level. As desperate measures, it has even had to increase product price by 60 percent and reduce the container size by 25 percent. The anticipated health benefits are still to be confirmed after an impact assessment exercise.

There seem to be certain fundamental tensions in the social business model itself. Originally, the model was conceived around an inspiration for a local and rural industry, manufacturing and selling locally. However, the current scenario projects problems in achieving widespread, small-scale chilled distribution in weak infrastructure and low-income communities, amongst which there is cultural heterogeneity and a broad geographical spread. After a year of operation, it was anticipated that to increase sales and to target a larger population, steps might have to be taken to 'break into the urban market' by supplying yogurt to urban areas. Last year, the package size was reduced from 80 to 60 grams and the larger containers are now being sold only through local shops at a higher price. Slowly, the business strategy seems to be gearing towards greater urbanisation through commercialisation. If instead of working at its current one percent capacity, the plant were operating at its full potential of 83,000 cups per day, and the enterprise used a fleet of modern refrigerated trucks to transport this massive production to every corner of the country, and given a massive marketing and advertisement drive. The reliability of the brands behind the product and the low price, demand would result in the product disappearing off the shelves in no time. More plants would have to be installed across the country and a network of marketing and sales offices established to cater for the huge demand.

Critics may argue that the core question which arises is who benefits if such a commercial scale-up is resorted to as a last, desperate measure. Profit maximisation was certainly not the reason why the social enterprise was actually established, following Yunus's argument (2006; 2006a; 2007). Would the local rural children benefit from such commercialisation? Although the picture portrayed above would be the last thing on the minds of the management, yet price hikes and sales through shops seem to be tell-tale signs that commercialisation might eventually have to be resorted to, with some possibility that the containers will still be sold in rural areas at cheaper and affordable prices and with the same level of fortification.

GDFL and the Environment

An organisation that has been established as a social enterprise will defy its purpose if it has no inherent eco-friendly features. Out of the eight Millennium Development Goals set out in 2000 by the United Nations (UN, 2008) targeted for completion by 2015, the 7th Goal: *'ensure environmental sustainability'*, pertains to taking action towards loss of environmental resources. Discussed below are some of the features of the GDFL facility that contribute to making it as environmentally friendly as possible.

Water used in the plant is treated by means of special water-treatment equipment that purifies both incoming and waste water. This ensures that all water used in the plant is treated both before and after use, meeting safety standards before being used and ensuring that the water returned to the environment is clean and safe (Yunus and Weber, 2007; Sarkar, 2007). Harvested rain water is also sanitised and used in certain parts of the plant. Solar panels generate renewable energy that is used in the facility, while a bio-gas plant supplies energy to meet any natural gas demands, such as to illuminate the perimeter fencing of the factory.

The containers in which the yogurt is dispensed are made out of cornstarch. The material is bio-degradable and, if buried, is transformed by pressure and heat into a natural, nutrient-rich substance suitable for fertilizer. The Bogra plant even has a specially prepared pit for recycling used containers (Yunus and Weber, 2007). The GDFL team is currently trying to design edible containers. These cups would offer extra nutrition, the problem of trash disposal would be completely eliminated and recycling would not be necessary (*ibid.*)

CONCLUDING REMARKS

Social entrepreneurs do not suggest an entirely different business model to run markets; they do not advocate that philanthropy alone can run the world's capital markets. All that they call for is 'enlightening' capitalistic thinking (Prasso, 2007) while trying to find solutions that benefit all stakeholders. GDFL has been making arduous efforts to meet its objectives in providing affordable nourishment to children in local communities, while creating employment opportunities in the local sector. Since the GDFL business model is based on proximity, local communities have been engaged and as the initiative expands due to a multi-local deployment plan on a nation-wide scale, local rural populations in a diverse range of sectors will benefit through direct and indirect involvement.

The main objective of GDFL is to help eradicate poverty by creating opportunities for the poor (Sultan, 2006). The companies that make up GDFL have already agreed not to take out any of the profits, but put them towards innovation and the creation of new opportunities for the welfare and development of the people. The GDFL is a business, no doubt, but the underlying principle is what makes it unique; as Franck Riboud (Groupe Danone, 2006) claimed at the opening ceremony, 'the strength in its success lies in the fact that it is a business (not a charity), and if it is a business, it is sustainable'. As we discussed in the previous sections, if upgraded to a commercial scale of operations, GDFL may be able to surpass its profitability targets by many times; the only concern would be that *it would have to compromise on its actual founding objectives*. Grameen Bank is renowned for its social service and the economic uplift of people, while Groupe Danone has an enormous amount of skill and proficiency to offer, being a world leader in the food industry. Each partner offers its unique expertise to serve the core rationale of GDFL: social (and indirectly, economic) benefit by way of a food item that helps rural communities within the proximity, but for how long only time can tell.

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