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EUROPEAN SOCIAL INVESTMENT PARADIGM AND THE SOUTH ASIAN SOCIAL BUSINESS MODEL IN THE CONTEXT OF SOCIO-ECONOMIC INCLUSION EFFECTIVENESS

EUROPEJSKI PARADYGMAT INWESTYCJI SPOŁECZNYCH I POŁUDNIOWOAZJATYCKI MODEL BIZNESU SPOŁECZNEGO W KONTEKŚCIE EFEKTYWNOŚCI INKLUZJI SPOŁECZNO-GOSPODARCZEJ

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ABSTRACT

The main objective of the paper is to indicate the contribution of Social Investment paradigm and the Social Business model to the process of socio-economic inclusion. The concept of social effectiveness and the methods of its measurement will be used to achieve the objective. Social Business is built on loans for the poorest and micro-credits for those who can afford to pay interest, however, for the banking system they remain unreliable. According to the European Social Investment paradigm, the government's spending on social services should not be perceived as redistribution but rather conceptualized as investments that bring a return in the form of larger share in the labour market, greater employee productivity, etc. These two solutions are to support socio-economic inclusion by combating, above all, financial exclusion defined as financial situation

ABSTRAKT

Głównym celem artykułu jest wskazanie wkładu paradygmatu Inwestycji Społecznych oraz modelu Biznesu Społecznego w proces integracji społeczno-gospodarczej. Do osiągnięcia celu wykorzystane zostanie pojęcie efektywności społecznej oraz metody jej pomiaru. Biznes społeczny opiera się na pożyczkach dla najuboższych i mikrokredytach dla tych, którzy są w stanie zapłacić odsetki, jednak dla systemu bankowego pozostają niewiarygodni. Zgodnie z europejskim paradygmatem Inwestycji Społecznych wydatki rządu na usługi społeczne nie powinny być dłużej postrzegane jako redystrybucja, ale konceptualizowane jako inwestycje, które przynoszą zwrot w postaci większego udziału w rynku pracy, większej wydajności pracowników itd. Te dwa rozwiązania mają wspierać inkluzję społeczno-ekonomiczną przede wszystkim poprzez

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which involves the lack of access to the resources, goods and services, and the inability to participate in social life.

Keywords: Social Business; Social Investment; social exclusion; financial exclusion; social effectiveness

zwalczanie ekskluzji finansowej, definiowanej jako sytuacja finansowa, która wiąże się z brakiem lub odmową dostępu do zasobów, towarów i usług oraz niemożnością uczestniczenia w życiu społecznym.

Słowa kluczowe: Biznes Społeczny; Inwestycje Społeczne; ekskluzja społeczna; ekskluzja finansowa; efektywność społeczna

INTRODUCTION

The main units of analysis in the article are two different trajectories of socio-economic development, embedded in the capitalist system: the European Social Investment paradigm and the South Asian Social Business model. The main objective of the paper is to indicate the contribution of Social Investment and Social Business to the process of socio-economic inclusion in both developed and developing countries. The concept of social effectiveness and its measurement will be used to achieve the objective.

The economic/productive efficiency, which occurs when the optimal combination of inputs results in maximum performance with minimum cost, has been consciously excluded from the effectiveness analysis in this article. The analysis covers the social effectiveness, which can be observed when goods and services are optimally distributed within the economy, also taking into account externalities. In this case, the marginal social cost of the overall production, including social services, is equal to the marginal social benefit.

According to Muhammad Yunus, the author of the Social Business, the concept consists in a total renunciation of financial gain, it assumes a total departure from the previous business structure. Yunus describes capitalism as a system that created poverty and built the illusion of prosperity. Social Business introduces a revolutionary dimension to the free market economy. The system is built on loans for the poorest and micro-credits for those, who can afford to pay interest, however, for the banking system they remain unreliable and therefore they experience financial exclusion (Yunus, 2017).

Social Investment paradigm promoted by the European Union and implemented – to a different extent – by the EU Member States, is a new concept of social policy, which is a response to the search for a new social model. According to Anthony Giddens (1998), the state of social investment was to be the third way between neoliberalism and the post-war welfare state, the quintessence of a future-oriented approach in which the state becomes an entrepreneur. In this concept, the state's expenditure is seen as a form of investment in human capital and understood as positive welfare. According to this assumption, the investment paradigm emphasizes policies that support the development and productivity of human capital and its use on the labour market, i.e., education, active labour market policy, and social inclusion policy.

The comparative research on Social Investment and Social Business is based on the author's participation as an expert in the Innovative Social Investment project: *Strengthening Communities in Europe* (Horizon 2020 Project No 649189), as well as on data collected during the interview with Muhammad Yunus during the author's internship at the University of Dhaka financed by the National Science Centre (2018/02/X/HS5/03087). The analysis focuses foremost on the problem of responsible finances and allocative effectiveness in socio-economic policy, regardless of whether it is created by the governments or other socially-oriented entities. The article is an attempt to answer the following research questions:

1. How does the social business model contribute to reducing socio-economic exclusion in developing countries?
2. What is the role of social investments in the process of social inclusion?
3. What inclusion measures can be applied to these two approaches?

THE DIMENSIONS OF SOCIO-ECONOMIC EXCLUSION

The process of social exclusion can be analysed in several dimensions: economic, legal, technological, exclusion caused by natural inequalities (such as disabilities) or the lack of access to selection of goods and services resulting in the inability of participation in social life.

Therefore, social exclusion is perceived as multidimensional process that reflects a combination of interrelated factors (Saunders, 2003). However, the economic dimension of exclusion, and financial in particular, is of key importance, as it has the greatest impact on the other dimensions of the exclusion, barriers to access and participation. It is the financial situation, which "involves the lack or denial of resources, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in society, whether in economic, social, cultural, or political arenas" (Levitas et al., 2007, p. 9). Therefore, the analysis of the socio-economic inclusion process should also be initiated with the economic dimension.

In general terms, financial exclusion is the process by which people find it difficult to access financial services and products in the primary market that are appropriate to their needs and enable them to lead a normal social life (European Commission, 2013, p. 9).

Shortly thereafter, financial exclusion was defined as the process by which citizens experience problems in accessing and using financial products and services in the mainstream market that are relevant to their needs and enable them to lead a standard life in a given society (World Bank, 2010, p. 9). It is also defined as a situation when the citizens are refused the access to official financial institutions since they do not match the requirements due to their socio-economic status (FINCA, 2020).

Financial exclusion should not be connoted only as the lack of access to financial services. Since it appears to be the result of a combination of different circumstances, including a lack of access, but also a lack of physical and social infrastructure, a lack of understanding and information, a lack of skills, a lack of caring, and a loss of faith (Subba Rao, 2007).

One of the measures of financial inclusion has become the banking index. The scale of the phenomenon of financial inclusion, measured by the banking index, ranges from several to tens of percent for highly developed and developing countries, respectively. It should be emphasized that financial exclusion is not only about the lack of access, but it also concerns the unsatisfactory quality of products and services offered by entities in the financial system. The realization by decision-makers of many countries of the nature, scale and negative socio-economic consequences related to financial exclusion led to the search for methods to prevent or reduce the existing problem (World Bank, 2011, p. 3).

The primary solution to this social issue, which has been sanctioned in many countries in the 1960s and 1970s, was the concept of responsible lending, as a reaction to predatory lending (Ramsay, 2005, p. 48). However, when it was noticed that the problem of financial exclusion is more complex and significantly influences the process of social exclusion, this concept was extended to the area of responsible finances.

Due to the fact that this concept is at the initial stage of development, it is not possible to point to one universally binding interpretation of this category. The responsible finance is to contribute to the promotion of the idea of sustainable development. The access to a wide range of financial services, including savings, insurance, credit, responsibly provided to households and businesses, is one of the most important components of sustainable growth and development (International Finance Corporation, 2011, p. 1).

Financial and therefore social exclusion is a phenomenon that occurs in both developing and highly developed countries. Any activities aimed at combating financial exclusion or restoring access to social goods and services would contribute not only to economic growth, but also to broadly understood social development. Therefore, it is essential for the states authorities, organizations, and non-governmental institutions to implement solutions that are designed to contribute to the creation of a more transparent, inclusive, and equitable socio-economic system.

SOCIAL INVESTMENT PARADIGM AND THE SOUTH ASIAN SOCIAL BUSINESS MODEL

Methodological accuracy requires that only similar phenomena should be compared. The political and socio-economic situation of countries implementing the Social Investment paradigm and countries implementing the Social Business model is radically different. The author attempts to compare the People's Republic, without the tradition and tendency to introduce a uniform system of social security and prosperity, with democratic states of law, with a long tradition of redistribution that created the welfare state regime. The author also admits that even the states of one political and cultural circle differ in the values on which their national social policies are based, which oscillate between freedom, equality, and solidarity. Differences can also be seen in the amount of expenditure allocated to social protection, sources of social security financing, the variety of redistribution instruments used, or the role of individual institutions, such as the state, market, family, or social organizations. For the author, the common denominator in this analysis is the observation about these two different systems, that in both developed and developing societies there are individuals incapable of independent existence, struggling with social risks and experiencing financial exclusion.

The leading solutions in dealing with social issues and problems of European social policies include the welfare state regime, under which the state takes responsibility for socio-economic development and the well-being of society.

The main function of a welfare state is the redistributive one, the scope of which depends on the level of economic development and the significance of solidarity or social justice in the social system of values and which allows for the reactive actions minimizing the effects of social risks. According to supporters of the new paradigm of Social Investment, the welfare state taking responsibility for the provision and financing of high-quality social services has become too expensive and the process and effects of redistribution – immeasurable. Hence, the allocation of mainly public funds, despite incentives for the business community to participate in investments, in the form of return investments is to be the basis of the system of social services, constituting, at least partially, compensation for the financial exclusion.

In the systems of Southeast Asia, the above solutions are not favored by neither the political tradition, the level of development nor, which should be clearly articulated, the bad governance. The interview conducted with Muhammad Yunus in Dhaka, July 17, 2019, was intended to investigate the provenance of the idea of the Social Business concept. As Yunus said, after the independence war of the 1970^{s} in Bangladesh, only bottom-up initiatives could improve the socio-economic situation. Hence the development of non-governmental organizations in Bangladesh and the beginning of the idea of social business. The author of the article equates this concept with the phenomenon of self-help (situation of mutual help of people who are in a similar life situation) and with social solidarity – the values rooted in the European Judaeo-Christian tradition.

The concept of Social Business responds directly to the threat of financial exclusion by offering different loan programs to people in different financial situations, which have one thing in common – they are not credible for the banking system. Social Investment is not such a direct solution, it is implemented through a profit-oriented system of social services, which are to constitute a compensation for financial exclusion.

SOCIAL BUSINESS AND GRAMEEN BANK

Social Business is defined as a non-loss, but also non-dividend business. As in traditional approach to business, Social Business employs workers, creates goods and services as well as sells them. What distinguishes the traditional, capitalistic, for profit only business from Social Business are the objectives. The company itself makes a profit, however, the investors who support it do not receive any profits from the company, except from recouping an amount equivalent to their original investment over a period of time. "A social business is a company that is cause-driven rather than profit-driven, with the potential to act as a change agent for the world" (Yunus, 2007, pp. 21–22).

Social Business is claimed to have fundamental significance in responding to economic, social, and environmental challenges, and by stimulating the social inclusion contributing to economic growth and social development (OECD, 1999; Noya & Clarence, 2007).

Social Business activities are divided into two categories: for profit and non-profit undertakings, that contribute to social benefits, such as creation and implementation of sustainable social values to entrepreneurial approach and displaying innovation and change (Fayolle & Matlay, 2010). Additionally, Yunus implied four related components of different social business models: the value proposition, the interest formula, the economic benefit equation, and the social profit formula (Yunus et al., 2010, p. 319).

Muhammad Yunus with the cooperation of Hans Reitz, the co-founder of the Grameen Creative Lab, established seven principles of Social Business, which allow to distinguish the concept and practice of SB from other activities directed to social welfare, such as, for instance, the idea of social entrepreneurship (Yunus et al., 2010). The principles are as follow:

1. Social Business' goal should be involved in scarcity of resources or elimination/reduction of social issues such as employment, nutrition, health care, climate change, providing the access to technology, and not in the maximization of the shareholders' profits.
2. Social Business activity is not eligible to receive any kind of external funds, including the public grants for NGOs; it is supposed to be financed by private sector investments.
3. The investors do not receive any profit on their investment.
4. The achieved profit is reinvested in the company serving its development.
5. Social Business companies should contribute to the environmental well-being in a direct or indirect way by ensuring not polluting the environment of their activities.
6. The personnel engaged in Social Business activities should earn decent compensation.
7. Social Business is not targeted at income optimization, but at the societies and environment's needs.

Social Business contributes to the generation of social benefits and the fight against financial and social exclusion through:

- manufacturing and selling high-quality, nutritious products at very low prices to a targeted market of poor and underfed children;
- providing health insurance policies that offer affordable medical care to the poor;
- developing renewable-energy systems and selling them at reasonable prices to rural communities;
- recycling garbage and waste products that would otherwise generate pollution in poor or politically powerless neighbourhoods (Yunus, 2007, p. 23).

The generated surplus is not being divided between the investors, instead, it is reinvested in the business. The borrower needs to pay back the loan to its investors and support the pursuit of long-term social goals. There is no one specific payback period settled. It can be 5, 10, or even 20 years, the payback period is a part of an agreement with the investor. The investors after reclaiming their invested money decide what to do with those funds: whether to keep it or reinvest. The main criterion on which the amount of instalments and the rate of loan repayment depend is the initial financial situation of the individual. The poorest receive non-repayable loans of up to $20, while those who can pay back operate under the micro-credit system.

The micro-credit initiative has been empowering a large number of individuals and lifting them out of financial deprivation. The system was launched by Muhammad Yunus through the Grameen Bank. The "Village Bank" was officially approved by the Bangladeshi government and established in October 1983. Yunus argued that the capitalist concepts, instruments and frameworks are to be applied in the process of supporting and enhancing the socially oriented economic activities.

Micro-credits have also exposed the inadequacies of the conventional banking framework that denies the access to financial resources the least fortunate. However, the micro-credits system is not only about direct money supply. It is also supportive to many issues interrelated with the low economic status, such as the need for institutional administrations, lack of access to clean, drinking water and sterile offices, lack of provision of social services and inadequate education (Yunus, 2017).

The whole project was based on the Yunus' hypothesis that unprivileged people are capable of generating income and improving their livelihood by self-employment and creation of the employment opportunities, if only provided with some initial capital (credit), guidance, and counselling. Yunus defined the category of a poor client – a person who owns less than one acre of land or possesses the value of land – and divided it according to the level of poverty.

Grameen Bank is the first institution within the banking system focused on reducing the financial exclusion. It was established to support the groups excluded from the financial system, unable to be a target of the bank system. The poor are not offered handouts or grants but credits that must be paid back with interest, through their own productive work.

Yunus was able to extend his micro-credit program and to open bank branches across rural Bangladesh. Grameen Bank offers four different loan products at four different interest rates. The amount collected from the borrower in interest never exceeds the initial amount. The social inclusion effectiveness of Grameen Bank in 2018 is expressed in following results:

1. The aggregate amount of disbursement of loans by the end of December 2018 reached USD 26.55 billion.
2. Income-generating loan – 20% interest rate (12.69 million micro-enterprise loans amounting to USD 5.82 billion).
3. Housing loan – 8% interest rate. The housing loans amounting to USD 10.07 million were provided to build 18,349 houses.
4. Student loan at a rate 0% during the study period and 5% after finishing the degree. In 2018, 54,143 students' loans covering admission fees, course fees, cost of stationery, food and accommodation and other related expenses were granted.
5. Program for the beggars offering $15 loans, interest-free. Since 2002, 20,775 beggars have left begging and started to make a living as door-to-door salespersons.

The micro-credits system is a motivation for the excluded bringing the quality to their lives and allowing to explore their own creative potential. Yunus calls the participants of the micro-credit system "tiny engines" which work starts the whole economic system working. It can be concluded that social business solutions are aggregated social activities, however, designed on an individual level.

SOCIAL INVESTMENT

Social Investment is defined in the context of a social policy paradigm, different from the traditional, compensatory variant. The government's spending on social services should not be perceived as redistribution but rather conceptualized as investments that bring a return in the form of a larger share in the labour market, greater employee productivity, higher personal income and economic growth. It is based on specific axiological values, among which the individual freedom and responsibility are emphasized, while striving to ensure real equality of opportunities and the accompanying effectiveness of public activities.

The paradigm is described as an aggregation of policies and ideas that emerged in the mid-1990s as a reaction to fundamental changes in the labour market and the demographic structure of societies, as well as the emergence of new threats and social needs (Hemerijck, 2013).

Social Investment is the provision of funding to organisations with the expectation of a social and financial return. This is a response to nowadays economic and social challenges taking into concern the limited public funds. The investment approaches require new models of public and private partnership, as well as new innovative solutions (Wilson, 2014).

In the European countries, there are two main ways of implementing a Social Investment paradigm. The first combines traditional social protection with Social Investment, while the second tends to substitute traditional compensatory spending with Social Investments in human capital (Morel, Palier, & Palme, 2011). It is emphasised that compensation and activation may affect social inclusion in different ways. Providing adequate compensation and social benefits leads to protection from poverty and the negative effects that the low income has got on social inclusion. However, in the absence of measures aimed at fostering employability, social protection may cause the benefit dependency and thus the social exclusion in the sphere of employment. Therefore, it is suggested to keep balance between protection and activation programmes in order to avoid an increase in poverty and social exclusion (Palme et al., 2009).

Social Investments are selective in their character, in the sense that certain interventions are not targeted and available to every citizen but are tailored to the specific needs of the target groups. At the same time, their inclusiveness means that various types of support are offered, taking into account the differences in social and professional situation of various groups, especially severely socially excluded or at risk of exclusion (Esping-Andersen et al., 2002).

This means that the paradigm of Social Investments introduces selective solutions also in countries where the current model of social policy is based on redistribution and offers a universal approach, guaranteeing access to social goods and services to all citizens. For these societies, the implementation of Social Investments is therefore a revolutionary change – from now on, governments decide not only about the areas of support and the range of goods and services, but also about who is entitled to receive support, considering the current economic situation and aspects that may influence the situation of individuals and their families in the future. Properly invested funds are to contribute to the achievement of economic and social benefits experienced by the entire society, and not only by the direct addressees of a given public intervention. An individual in this paradigm is reduced to capital human resources, the high value of which, also through the investments made, would result in the economic success of the entire country and the supranational organization.

The critique of the Social Investment paradigm mainly concerns its limited, inclusive dimension. Researchers in this area more and more often point to the limited impact of investments on combating social exclusion due to its ineffectiveness of solutions in combating poverty and unemployment (Corluy & Vandenbroucke, 2013).

The implementation of the paradigm focuses only on selected thematic areas and mainly concerns initiatives related to human and social capital in the context of the labour market. It offers limited range of solutions for reducing social problems, moreover, the implementation of Social Investments in the conditions of limited budget funds causes cuts in social expenditure, e.g., for unemployment benefits, which may contribute to an increase in the risk of poverty in this group (Vandenbroucke & Vleminckx, 2011).

Most of the performance measures presented in the next section have been developed and implemented to estimate the return on Social Investment. The evaluation takes place on two levels: the first involves the assessment of the investment project for which the funds are to be allocated, while the second stage is the assessment of the effectiveness – the return on investment. It can be concluded that Social Investments are aggregated activities carried out for social profit and designed from the social level.

INCLUSION MEASUREMENT

Efficiency measures the relation between outputs and inputs to a process. The higher the output for a given input, or the lower the input for a given output, the more efficient the activity, product, or corporation is. The general understanding of both investment and return is founded upon a traditional separation of social value and economic value. However, the pursuit of a blended value is for investments and returns not to separate social and financial impacts, but to be composed of both (Emerson, 2003).

In terms of Social Business, it is much more about effectiveness than strictly economic efficiency. As it is emphasised by Austin, Stevenson, and Wei-Skillern (2006), for the socially oriented enterprises generating the social value, the traditional economic and financial indicators, such as return on assets or market share are insufficient in evaluating the whole range of their activities. That is why the impact measurement is much more adequate to indicate the Social Business results. The impact measurement, as it has been recently emphasised in the literature, is especially significant for creating organisational legitimacy and trust (Luke, Barraket, & Eversole, 2013). Additionally, the impact measurement covers such aspects as accountability and transparency of decision-making processes (Lyon & Arvidson, 2011).

One of the social impact measurements and the most popular measure of the Social Investment efficiency at the same time, is the Social Return on Investments (SROI). It allows for reporting different types of values created by an organisation: economic, social, and environmental. The economic evaluation carried out with the use of SROI relates to social profit and social added value by taking into account the relation between the amount of costs incurred and the size of the results. The analysis is based on seven principles which include: stakeholder engagement; identifying social change; monetizing the value of the results; inclusion of only essential elements in the analysis; limitation of claims of influence; transparency; checking the results (Nicholls et al., 2009, pp. 96–98).

Although it is claimed to give an overall picture of an investment's multidimensional contribution, SROI seems to reflect mostly the economic efficiency, since this method identifies and measures social value by using monetary values. Moreover, the prognostic function of SROI brings difficulty with the discount of future value and with the estimation of risk connected with achieving the expected results. In the context of social cost-benefit analysis, some inputs are difficult to estimate using the market price system, since such prices do not exist or do not express marginal benefits and social costs (Stiglitz, 2004).

The measurement that can be applied for estimations in both models is the social innovation. Although, social innovations have a much broader purposeful and thematic scope than social investments, since they refer to solving a larger set of social problems contributing to social exclusion. Social innovation includes activities that focus on reducing unemployment, increasing employment and fighting poverty, just as social investment, but also on such problems as homelessness or addictions (Fandrejewska, 2017, p. 49). However, due to the common area of interest, this measure could be applied to estimate the effectiveness of both Social Investment and Social Business.

Social innovation is defined as "the generation and implementation of new ideas about how people should organise interpersonal activities, or social interactions, to meet one or more common goals" (Mumford, 2002, p. 253). It is also emphasised that the new ideas should meet so far unmet needs (Mulgan et al., 2007, p. 5). In these definitions, there appear two concepts: the concept of a goal – coherent with the Social Investment paradigm and the concept of a need, much more consistent with the model of Social Business. So, it can be noticed that the assumptions towards the results of the social innovation process are different in these two models. And again, a goal is more economic category, whereas a need is a strictly social one.

The measurement of social innovation can be applied to the evaluation of the innovation performance of social projects, as well as to the appraisal of the organisation's innovativeness. The social innovativeness is also analysed in terms of spatial units, with a division to the national, regional, or local level. Additionally, there are dimensions not included in the traditional metrics, however of great social significance:

1. social need and progress,
2. the surrounding innovation culture involving social values,
3. the scope of civil society and social entrepreneurship,
4. social spending,
5. the political prominence given to the social issue (Bund et al., 2015).

CONCLUSIONS

The presented methods of measuring effectiveness are mainly used in the evaluation of Social Investments. For Social Business promoters to demonstrate their contribution to the fight against social exclusion through financial inclusion, interest rate return statistics will suffice.

Since both approaches are derived from the reality of capitalism and are so in accordance with the free market mechanisms, there are far more common assumptions about the two solutions and their effectiveness than there are contrasts:

1. The first common belief is that capitalism can be modified and its mechanisms can contribute to achieving the goal of socio-economic inclusion. In line with this trend, methods of measuring the effectiveness of both approaches were developed, based on interest rates, return on investment, even the social one expressed in monetarist terms.
2. Secondly, in both cases, the financial investment in an individual (also in building the human capital in a larger capitalist perspective) is to teach them the desired behaviours. The expected behaviours are connected with readiness and acceptance of the situation in which individuals freely move around the free market and fully satisfy their needs using market mechanisms instead of redistributive solutions.
3. The third assumption is strongly associated with the second one and it is about the individual responsibility. The main principle of capitalism makes the beneficiaries of Social Business and Social Investments' projects bear the consequences of their market decisions. The disciplining mechanisms are, in the case of SB, interest rates, and in the case of SI, the requirement to bring a profit expressed in monetary terms.
4. Social Business and Social Investment are bottom-up strategies. In terms of SB, the funds for loans and credits come from the private sector, which additionally supports the beneficiaries with knowledge in the field of management. In case of SI, although mostly public finances are engaged, a bottom-up initiative is needed to launch the fundraising process.

In term of the discrepancies between these two models, the approach towards the economic growth comes to the fore. Despite the fact that it is clear to the creators of both models that economic growth is essential to the survival of the capitalist system, the Social Business concept does not support uncontrolled economic growth, as a cause of maniacal consumption, which does not directly contribute to raising the standard of living nor to the social inclusion.

The role of the government in the process of social inclusion is also perceived differently. Social Investments are implemented or at least managed by the government agencies, and their main source of financing remain public finances. Muhammad Yunus describes the government as inefficient, slow, and self-perpetuating. The Bangladeshi model of governance, apart from allowing the Grameen Bank to operate, does not support in any other way Social Business solutions. It is also worth mentioning that the solutions proposed under the Social Business model are the only ones in Southeast Asia aimed at socio-economic inclusion. By contrast, Social Investment is so far only an addition to the redistributive function of the state.

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