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UNDP report unveils strategies for engaging the poor

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NEW YORK: Creating Value for All: Strategies for Doing Business with the Poor, a new and groundbreaking report released July 1, by the UN Development Program (UNDP) offers strategies and tools for companies to expand beyond traditional business practices and bring in the world's poor as partners in growth and wealth creation.

Part of UNDP's Growing Inclusive Market's initiative, the report draws on extensive case studies and demonstrates the effectiveness-both for human progress and for wealth creation-of more inclusive business models. Showcased are 50 case studies, by researchers in developing and developed countries.

These studies demonstrate the successful pursuit of both revenues and social impact by local and international small- and medium-sized companies, as well as multinational corporations. One of the case studies is that of Sulabh International and the low-cost toilets the company developed to free up 60,000 people from work as "scavengers" in human waste removal. At least 10 million people have benefited from the use of these toilets.

The creator of the Sulabh toilet, Dr Bindeshwar Pathak was at the UN headquarters in New York for a related event along with 20 of the "untouchable" women who work on the project. UN Secretary-General Ban Ki-moon recently issued a call to action on the Millennium Development Goals (MDGs), urging an international effort to accelerate progress and to make 2008 a turning point in the fight against poverty.

This report demonstrates concrete ways the private sector can join in this vital effort. The poor have a largely untapped potential for consumption, production, innovation, and entrepreneurial activity. But the more business models integrate and include the poor, the more likely companies successfully pursuing revenues will also help in fulfilling the MDGs.

Yet the private sector cannot meet the needs of the poor nor overcome all the obstacles to doing business with the poor alone. The report outlines what businesses, governments, communities, non-governmental organizations (NGOs), donors and international organizations can do to ensure the greatest good. As UNDP Administrator Kemal Dervis writes, "The power of poor people to benefit from market activity lies in their ability to participate in markets and take advantage of market opportunities.

Business models that include the poor require broad support and offer gains for all." As the authors of the report note, "There is room for many more inclusive business models. There is room for more inclusive markets. And there is room for much greater value creation. In the words of Mahatma Gandhi, 'The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems'."

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