

Tema-artikler

Responsible Initiative

Utskriftsvennlig versjon

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Only 60 years ago, countries such as Spain, France, Holland, Germany and Britain were the largest colonial powers in the world, mainly focusing on exploiting developing countries for their own benefit. In just a few decades these countries have radically changed their behaviour and become the largest players and defenders of development in the world's poor countries. Such a fundamental behavioural change should also be possible for enterprises looking for responsible business opportunities in developing countries.

– Only 30 years ago private sector and development were two contradictory terms, as most private sector actors didn't behave particularly pro-poor or pro-development. Still today, many have a critical view of private sector engagement in developing countries. But times are changing, says Christian Thommessen, the Norwegian who has led the UNDP Private Sector Division for the last 2 years, and who is now presenting a report named "The Growing Inclusive Markets Initiative."

Private sector as a development partner in poverty reduction has evolved throughout the years and can be summarized in what Christian Thommessen calls the three steps. The first step focuses on solving poverty, driven by the public sector in developed countries. The private sector typically paid an amount of their profit in aid or sponsorship, so-called traditional philanthropy which can also be recognized as charity or humanitarianism. This has become an increasingly important way for local companies in developing countries to give back to their own communities today.

New challenges for business development

Christian Thommessen refers to Corporate Social Responsibility (CSR) as the second step; a concept which is founded on a different market view than traditional philanthropy, and is becoming an ever more important aspect of business development. – CSR challenges companies in their ways of thinking about doing business in developing countries. As companies become more globalized, labour, commodities and new market opportunities arise. However, increased international involvement also implies a stronger need for sustainable and transparent business.

This pressure on businesses to act socially responsible in the international markets has been, and still is, very positive, Christian Thommessen continues. The third step is a continuation of CSR, and is the core foundation of the report. It is now acknowledged that there are in fact still 2.6 billion people living in poverty across the world, accounting for around 40 percent of the global population. Countries in sub-Saharan Africa are experiencing a spectacular GDP growth of 5 percent annually.

Unexplored market for entrepreneurship

– This is where the problem arises, Christian Thommessen says. – Despite the formidable growth in the world economy, 40 percent of the world's inhabitants are excluded from participating in this development. Our report advocates a new perspective. In our view, and in a private sector view, these 2.6 billion people are actually a huge, largely unexplored market for entrepreneurship, innovation, labour and exchange of goods and services.

The report describes a vast amount of different case studies about companies that have embarked into new adventures and created a substantial competitive advantage as a result. One example is the Barclay's Bank ATM machines developed for African illiterates with a fingerprint identification system. – This new innovation was brought back to North-America and Europe with success, Christian Thommessen describes.

– The mantra of the report is that there is no contradiction between doing good and doing well, as long as you work with inclusive business models, where the poor are included either as producers or consumers in the business model, Christian Thommessen continues. But with the opportunities seemingly so great, why haven't more businesses taken advantage of them, we ask. – There are undeniably several obstacles and barriers connected with doing business in developing countries, Christian Thommessen confirms. – The barriers are identified in our report, together with several suggested solutions based on genuine experiences. Our report could be regarded as a book of recipes. It shows how entrepreneurs can serve the poor as clients and include them as producers, employees and business owners, while at the same time generating profits and creating new growth potential, Christian Thommessen concludes.

Les siste utgave av magasinet Global her (krever Flash)