

Businesslike approach to poverty relief

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Imagine if it were possible to consider poverty alleviation as an investment decision. What if modest returns could be generated by serving the interests of the poor? How could we harness business innovation for social development? And how can we develop a more inclusive form of capitalism that serves the interests of those who are missing out on the positive effects of globalisation?

These are the questions that were wrestled with by former US president Bill Clinton and his stellar cast of business and world leaders at the Clinton Global Initiative annual forum in New York last week.

An acceleration in inequality in the wake of the global financial crisis prompted the annual talkfest to switch its focus from philanthropy to how innovation in business can bring about social change.

What if we were to change our view of the poor as helpless and needy to instead view them as massive underutilised human capital?

Many are starting to take this view, such as the Boston Consulting Group, which recently estimated that the 4 billion people making up the base of the economic pyramid represented a \$US3.7 trillion (\$4.3 trillion) marketplace. In other words, if taken as a whole, this would be the sixth-largest economy on earth. With such a paradigm shift

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in our view of the poor, business leaders can make a positive difference to humanity through their core business activities. If it is profitable to help the poor, business can be mobilised for poverty alleviation.

Nobel laureate professor Mohammed Yunus supported this view that the poor represented a huge reserve of untapped human capital and started the micro-finance revolution. Today it is well recognised that the efforts of his Grameen Bank have been a significant factor in Bangladesh being on track to achieve its Millennium Development Goals.

In contrast, our neighbour Papua New Guinea has a rich resource base and yet is not expected to achieve any of its millennium development goals.

Business for Millennium Development is launching a project in Papua New Guinea, focusing on the Southern Highlands, that will be run essentially as a commercial venture, tapping into the very high economic potential of vegetable growers.

What is rather unique is that the primary beneficiaries of this social business enterprise will be the women growing fresh produce in the fields. In fact these women – now earning little more than 20 kina (\$8.63) a year – will be made majority shareholders of the business.

This project was recommended at the Clinton forum as a case study on innovation for development.

Amid widespread poverty in our region, there are tremendous opportunities for investment and growth in human potential.

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