

From South to North: Replicating methods and practices to deal with social issues

Round table // Social and solidarity economy and Social business



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Executive summary

Microfinance was born in the South to benefit people in the Southern countries. Twenty years later, Northern countries imported it to solve their own poverty issues. How can we ensure a proper skill transfer? Which other

good practices geared towards poverty reduction could Northern countries borrow from past experiences in the South?

Synthesis

While innovation is frequently described as moving from North to South, we are now observing the opposite trend. In fact, innovation, particularly social innovation, is no longer the privilege of developed countries. In the South, the richness and creativity of initiatives dealing with unsolved social needs are a source of inspiration for the North in its quest for new societal solutions. Public and economic actors as well as associations are increasingly responsive to Southern solutions, at a time when we are seeing more and more “reverse innovation” (innovations developed in emerging countries and then developed worldwide) and, above all, when the North is faced with a growing social vulnerability which requires a brand new approach to meet the amplitude of its needs.

Beside the attention that companies pay to innovation, their growing interest in the subject is expressed over:

- the desire of the private sector to contribute to the fight against poverty, beyond philanthropic concerns;
- the stagnation of “traditional” markets in developed countries, which pushes companies to invest in “new” markets and reach customers who were formerly ignored;
- employees who are strongly motivated to tie these projects to their search of a deeper meaning in their job.

But how can we replicate Southern approaches with all their specificities in the North?

The participants emphasized different obstacles:

- First and foremost, we face a poor understanding of the populations living in poverty in the North. We must meet these populations to get to understand them and identify the outlines of this poverty.

- The legal framework in the North can also be an obstacle. In the South, the framework to launch new ventures is often informal. In developed countries, this is a long and difficult process because of the regulation that has not been adjusted yet for these projects.
- While we must deal with the constraints of the existing framework in the North, in the South projects can start from scratch, with greater room to maneuver.

Given this context, the following conditions have been highlighted to ensure successful implementation in the North:

- The vision must be systemic. In the North, all the levers must be pulled, from the legal recourse down to every citizen. It is important to find a way to educate the public on poverty alleviation. Citizens have a critical role to play to bring about a paradigm shift and to spur an appropriate reaction from public authorities.
- The approach must be experimental, with tests in pilot zones prior to envisioning large-scale implementations.
- The project must be planned in the long-term. We must think clear of the prevalent short-term model and develop the transfer of innovations in the long term.
- All the actors that have a role to play must cooperate: co-creation is a necessary step, and companies must team up with NGOs and other organizations that have a strong legitimacy as well as good field experience. They must also help social entrepreneurs to scale up.
- The answers to social issues require a transversal approach that takes into account the strong correlation between the different challenges that the poor are faced with (employment, housing, access to essential goods, etc.).
- Poor populations must no longer feel stigmatized. In developing



countries, poverty is not regarded as shameful and very often the poor are working. In France and in Northern countries in general, people living in poverty suffer from a strong feeling of exclusion. We must give them their dignity back.

It seems that the cooperation of multiple actors is essential to transfer the innovations that benefit poor people from the South to the North. Each has a role to play and can bring something specific to the table: companies have economic proficiency, NGOs and associations have their legitimacy and their understanding of poor populations, the state and public authorities are in charge of the constitution of a legal framework, and citizens can press for changes. Public opinion must be transformed. Although there are many

obstacles, the awareness and increasing interest in the matter are levers that can be pulled to implement the necessary measures to fight back poverty in Northern countries.

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