

Focus :

BOP STRATEGIES & SOCIAL BUSINESS

ROUNDTABLE

[AP1]

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PROVIDING APPROPRIATE SOLUTIONS TO THE NEEDS OF THE POOREST AND THE MOST MARGINALISED POPULATIONS IN DEVELOPED COUNTRIES: CHALLENGES AND BEST PRACTICES

MAIN FINDINGS

In France, the gap is widening between those with access to the services offered by large service providers and those for whom access to these services is too expensive. The 'double adversity' phenomenon means that poor consumers can pay up to 8% more than the average consumer. Three obstacles can come together: a lack of financial means, access to information and physical access. Bringing together businesses, associations and public institutions now represents a real opportunity to better respond to the needs of the poorest sectors of French society. Innovative solutions can be co-constructed in order to avoid excluding the most fragile and to allow them access to essential services. These links actually allow businesses to adapt what they have on offer thanks to the improved knowledge they have of the needs of the region in question, by making use of the expertise of social mediators. These new models allow for the different public, private and solidarity stakeholders to be recognized while finding solutions for the challenges that each has to tackle in order to aim towards co-constructing the common good.

SPEAKERS

Catherine Barbaroux
Chairwoman, Adie

Daniel Lebègue
Chairman, Transparency International France

Gilles Reydellet
Executive Director PIMMS National Network

Bernard Saincy
Vice-president for Corporate Social Responsibility, Strategy and Sustainable Development Division, GDF SUEZ / Vice-Chairman, of the "GDF SUEZ Rassembleurs d'Energies" initiative

François Soulage
Chairman, Secours Catholique

MODERATOR

Charles-Benoît Heidsieck
Founder and Chairman, Le RAMEAU

SUMMARY OF INTERVENTIONS

Issues at stake

The question is raised of whether awareness raising is necessary in order to reconcile social performance and economic performance. **Catherine Barbaroux** responds to this by stressing that Adie was founded in order to help the poorest gain access to loans. The microcredits that it provides makes it easier for the beneficiaries to get back into employment thanks to a micro-enterprise and allows them to fight against exclusion and a state of insecurity. The micro-enterprise field is underexploited in France mainly because of the fact that jobseekers are not receiving enough information. A large awareness raising programme has actually been set up in order to show the effectiveness of microcredit given the backdrop of a deteriorating job market, the overhauling of local businesses and the cuts in public funding. Setting up a business is not reserved for those who have a particular type of training or who have capital: 40% of Adie's clients are in an unstable work situation. Micro-enterprises can create the conditions for development: a microcredit recipient creates 1.38 jobs on average.

On the topic of adapting distribution models and supply, **Daniel Lebègue** explains that the 2007/2008 global crisis pushed large businesses in France in all sectors to adapt their products and services in order to serve populations in developing countries. This meant that products became simpler, cheaper and more accessible. Companies no longer seek to serve the solvent 80% of developed country populations but rather the 80% of populations in the Global South that are poor, only 20% of whom are solvent. Large businesses have actually identified emerging populations as true drivers of growth: the dynamic of external growth and investment has been brought to those at the bottom of the social pyramid. This dynamic first of all kicked off in emerging countries and is now taking hold in countries in the Global North in an impressive manner.

Gilles Reydellet confirms the need to invent new models for helping the 10-15% of the population that are deprived of access to public services and subsidies to gain this access. This divide may be widened further by the changes that have taken place regarding what is on offer and the recent moves towards paperless systems. The PIMMS (Multi-Service Mediation Information Points) aim to fill this gap and are shared between the

large service providers (50%) and local authorities (50%). Today, there are 50 agencies across France that aim to provide a quality service to the needy and to reach out to individuals. Without intending to replace service providers, this project gives added value to inhabitants while allowing a new segment of the population to be reached. The new profession of social mediator traces its roots to this setup, as does the partnership model which brings together investment from both business and the public sphere.

Bernard Saincy, who also took part in setting up PIMMS for GDF SUEZ, confirms the effectiveness of the partnership model for co-constructing solutions for the most vulnerable populations. The Isigaz programme involves social workers providing support to 650,000 families affected by energy insecurity. This example shows that social mediation can be supported by complementary competencies of the company and allows links to be maintained with certain neighbourhoods in some of the most sensitive urban areas. There are three main action points which are part of GDF SUEZ's progressive gas pricing system, and which aim to help those who are in tenuous circumstances: the Isigaz project (tuition on energy safety and energy saving), social mediation partnerships (PIMMS et PSP/FACE), and support for social entrepreneurs in order to foster access to energy in the Global South and to help in the fight against energy insecurity in the North through the Rallying for Energy initiative (Rassembleurs d'énergie).

Regarding the respective usefulness of co-construction and legislation, **François Soulage** highlights the fact that it is essential to work with those suffering from adversity and not for them. The final beneficiary should be involved in the thought process which goes into the innovative models that are created in order to ensure that the mechanisms that are set up are not too distant from those in need. Co-construction should be the first area to work on, followed by legislation, which applies what has already been tried and tested through experience.

Possible solutions

When asked about the right to trial and error, **François Soulage** takes the example of the campaign for including the most vulnerable groups in society in banking. She explains that enacting a law in order to implement public policies is often very complicated and can distort what has previously been created through co-construction. Therefore, associations should be allowed

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to be a force in putting forward proposals in favour of experimenting, thus allowing informed decisions to be taken at a later stage.

On the subject of information and coordination, **Catherine Barbaroux** points out that co-construction should be put in practice across the country in order to encourage access for those in the most delicate of situations: being close to action on the ground is a great source of learning, and a great deal is passed on through word of mouth. The trust that is thus established is also a central element in the process set up by Adie, which has less than 2% of its microcredit loans left unpaid. Communication is key in explaining the rights and tools that are available to those who need them; it ensures recognition of the co-construction process and allows the main partners involved to yield from their commitment.

On the subject of the usefulness of the partnerships, **Bernard Saincy** notes the reduction in funding following the 2007 crisis forces businesses, associations and the state to work together in order to create innovative solutions. The GDF SUEZ projects for the neediest are part of a partner-based approach which brings together service providers, public services and innovative stakeholders and identifies effective measures as opposed to offering a makeshift cure. Each partner finds value in the partnerships which are focused on innovation for society. Associations have the knowledge of the most needy groups in society as well as the ability to intervene in the areas where public policy and businesses are not the best placed to do so. On the other hand, businesses contribute to large-scale deployment capabilities.

Daniel Lebègue confirms that associations' contribution towards the common good of key importance on three different levels: firstly, associations are the first of all networks to hear what citizens have to say since they count among their ranks 16 million volunteers and two million employees; secondly, those involved in associations are acknowledged and trusted to an unparalleled degree in the actions they carry out on behalf of the common good and in light of their expertise; finally, it is often within the world of associations that the double function of alert and innovation is best put to effect. A collective approach must be created and partnerships are the path that should be followed. Social mediators should carry citizens' expectations in order to make shared action coherent once again.

As for the potential for linking national and regional levels of innovation, **Gilles Reydellet** explains that PIMMS and regional organisations should be forced to reach an agreement on how to spread innovative models, the former consisting of a model whereby the federations and network heads are responsible for outlining values, leading the network and providing tools and training and the latter consisting of a local franchise contract. Preparatory work is necessary in order to put together a needs diagnostic, to identify the different partners and to put together a meaningful project. The clearer the framework is, the better adapted to local circumstances the project will be.

Obstacles to be removed

Distance from the work on the ground: **Catherine Barbaroux** notes that elected officials are not close enough to action on the ground and makes a suggestion in favour of greater cultural and social diversity among the elites in order to encourage a good relationship and contact with those most in need.

The difficulty in maintaining a balance and spreading a shared vision: **Gilles Reydellet** speaks out in favour of having the status of an association since this encourages all individuals to contribute more and show greater involvement and allows individual interests to be channelled together, creating a shared general interest. This unstable balance has to constantly be rebuilt.

Evaluation as a need for creating sustainability and a balance while truly serving everyone: **Bernard Saincy** underscores the fact that in order to achieve this, a professional approach is necessary, and undoubtedly also a shift from perceiving evaluations as a type of inspection to seeing them as a way of enhancing results. He describes a new competence which businesses need and which is a differentiating factor for them: making the company's legitimacy accepted in the local area. Businesses should also learn and give something back.

Bringing about a change in scale by moving from a rationale based on equality to one based on equity and focusing efforts on the most vulnerable: **François Soulage** stresses the urgent need to put in place tools that pool energies in order to avoid leaving people to live alone. It is vital to fight against the prevailing individuality. Mediators are key in this sense because they can show more flexibility. It is also absolutely necessary to ensure that personalised solutions can be accepted. The more delicate a situation someone finds

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themselves in, the more fitting it is to offer a tailored response.

How can the common good be co-constructed while involving civil society in order for it to be a force for making proposals towards public institutions?

Daniel Lebègue underlines the fact that forces should organise themselves around two priorities: improving

the competitiveness of our businesses and improving living conditions for the eight million people that are in an insecure situation.

Charles-Benoît Heidsieck concludes on the need to manage this new paradigm: co-constructing for the common good while at the same time responding to the challenges of the different stakeholders involved.

REPORTER

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MORE ON THIS TOPIC

- **Adie** : www.adie.org
- **Isigaz, GDF SUEZ** : www.gdfsuez.fr
- **Patrick Kanner (Unccas) / Jean-François Mattei (Croix-Rouge française) / François Soulage (Secours Catholique)**. *Manifeste pour l'inclusion bancaire en France des populations fragiles*, Décembre 2011.
- **PIMMS** : www.pimms.org
- **Secours Catholique** : www.secours-catholique.org
- **The Boston Consulting Group**. *Entreprise et pauvreté : qualification de la « double peine » et enjeux pour les entreprises*, Avril 2011.
- **Transparency International** : www.transparence-france.org