

Focus :

THE ROLE OF ACTORS

ROUNDTABLE

[RA3]

Room Wangari Maathai
Palais Brongniart

Wednesday,
September 19, 2012

WHAT PART CAN PRIVATE COMPANIES PLAY IN REDUCING POVERTY IN DEVELOPING COUNTRIES?

MAIN FINDINGS

A third of the world population lives with less than two dollars a day and lacks access to basic services. At the same time, heavy pressure is being exerted on natural resources while, in addition, more than one billion people remain deprived of access to energy. Developing countries represent new markets and offer opportunities for creating new business models. Companies can provide real added value in the fight against poverty by including these populations, not only as consumers, but also as employees. In a context in which there is growing interaction between stakeholders, in which new hybrid models are emerging, companies can truly contribute to the fight against poverty by placing this approach at the heart of their strategy, by working with civil society, NGOs and social enterprises in the long term, taking good example from their pioneering initiatives.

SPEAKERS

Flavio Bassi

Director, Ashoka South Africa

Bénédicte Faivre-Tavignot

Executive Director, Social Business Chair, HEC

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

Ibrahim Slaoui

CEO, Mafoder

MODERATOR

Sarah Dekkiche

Project Manager, Inclusive Business Platform,
CSR Europe

SUMMARY OF INTERVENTIONS

Encouraging the development of social enterprises

Bernard Saincy explains that the activities of GDF SUEZ consist of inventing experimental solutions in the fields of energy, water and waste. The company adheres to a complex rationale of social engineering and social innovation. In order for the presence of a large company to be accepted in developing countries, it is vital for the group to contribute to the fight against poverty. For GDF SUEZ, the question of energy access comes into play here, and is made manifest notably through the "Rassembleurs d'Énergies" programme (Rallying for Energy). Social enterprise leaders have three needs: a substitute for public subsidies, technical assistance and investment.

Flavio Bassi points out that whereas businesses traditionally grow horizontally and in an institutional sense, the mission of Ashoka is to help social entrepreneurs to scale up and aim for vertical growth by deepening their activities. It is becoming increasingly possible to create hybrid models that bring together the private and solidarity sectors. The work of Ashoka consists of providing strategic support to social entrepreneurs in order to create solutions which address the very heart of the problems they are facing. This work can bring something extra to companies that already have a large capacity for strategic vision.

Placing the fight against poverty at the very heart of company strategies

Ibrahim Slaoui explains that a major challenge for the Moroccan economy is that of creating added value when the country has a failing education system and a poorly qualified workforce. This in turn leads to a very high unemployment rate among the young, who do not receive training which prepares them for the job market. In order to respond to this urgent situation, hope must be given to these discouraged young people by mobilising their creative energy. In order to do this, the Mafoder foundry has joined up with several associations in order to provide young people with basic skills through short training courses that enhance their know-how and life skills.

Bénédicte Faivre-Tavignot highlights the fact that the fight against poverty is a strategic challenge for businesses, which find themselves forced to serve their shareholders. Although the added value of businesses is mainly to be found in innovation and creating new markets, it is also in their interests to contribute to the prosperity of the surroundings in which they themselves evolve. In this respect, the role played by consumers and civil society is considerable. In order for a company to be legitimate, it must be coherent in its practices, for example with taxes and wages, and it must place CSR at the heart of its activities. It is in this way, through its strategic vision and innovation that a company will truly be able to hold sway.

Creating partnerships

Flavio Bassi stresses that over the last thirty years, the respective roles of businesses and civil society, as well as the links between them, have greatly changed. Whereas previously a split existed between the private and solidarity sectors, both are now gradually coming together, particularly through the sharing of knowledge and skills. Gaps between the two are now closing and new configurations are appearing – a new hybrid system is emerging. Today, social entrepreneurs, as actors of change, can in turn be the source of social innovation for companies.

For **Ibrahim Slaoui**, SMEs also have a role to play in the area of social mobility, particularly through training. In order to respond to the challenge of a lack of skills on Morocco's internal job market, Mafoder has set up exchange programmes with research centres in Europe and with local and foreign universities and has organised a platform for meetings and training sessions on developing industrial products.

Providing oneself with the means to respond to challenges

Bernard Saincy outlines a number of challenges that have arisen from the investment and technical assistance activities of GDF SUEZ which aim to help social entrepreneurs working towards helping the most impoverished populations gain access to energy. Differences in working methods, due both to cultural factors and to the different types of organisation, can be a source of misunderstandings. This is why projects such as "Rassembleurs d'Énergies" (Rallying for Energy),

which need the involvement of all stakeholders, should take a long-term based approach.

Bénédicte Faivre-Tavignot confirms that the complexity of social entrepreneurship projects requires the involvement of the private sector, NGOs and associations to an equal degree. In companies, real organisational means are necessary and the involvement of managers is vital. A "bottom-up" approach is also important: this is why R&D departments must be decentralised and set up in emerging or developing countries. Finally, it is important to evaluate how social entrepreneurship projects constitute levers of change while assessing what they contribute to businesses in terms of innovation, motivation and the creation of new markets.

For **Bernard Saincy**, even if measuring social impact is necessary, it is not the main concern at the current time, the focus remaining rather that of executing projects.

Ibrahim Slaoui adds that Mafoder is committed to several projects that aim to create links between the world of education and business. The Education for Employment initiative, which was initiated in the United States and later set up in a number of Arab countries including Morocco, consists of selecting businesses for training and integration programmes for unemployed young people; its impact is measured by the number of young people who find work. As part of the Junior Achievement initiative, high school children are

encouraged to set up virtual businesses in order to encourage entrepreneurship. According to international statistics, 70% of the beneficiaries will go on to create real businesses in the future. Mafoder is also involved in programmes which aim to foster young people's involvement by encouraging them to take the initiative and helping values to emerge among them, such as shouldering responsibility, showing enthusiasm, being punctual; all in a non-violent atmosphere.

Replicating these models and scaling up

Bernard Saincy stresses the difficulty in moving from experimental social innovation to new business models. It is a process that takes time. Nonetheless, there are pressing demands being made for societal problems to be taken into account by businesses – not only those of society on the whole, but also among those collaborating within the business itself. In order for these initiatives to be carried out, they must be understood and supported both by higher level management and middle management.

Bénédicte Faivre-Tavignot concludes on the need for pioneering initiatives to work and to be profitable in order to develop social entrepreneurship projects. These models also need to be replicated. This can be done by developing simpler products and services based on frugality, such as projects by General Electrics in India and Danone in Bangladesh. In this way, a more inclusive economic model can be developed, in which multinationals are the levers of social transformation.

REPORTER

Berenika Kramer

MORE ON THIS TOPIC

- **Ashoka:** www.ashoka.org/
- **Social Business Chair, HEC:** www.hec.edu/Social-Business-Chair
- **"GDF Suez Rassembleurs d'énergie" Initiative:** www.gdfsuez.com/en/2012-international-year-sustainable-energy/rassembleurs-denergies/
- **Mafoder:** www.mafoder.com/