

FIRMS AND POVERTIES

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15 *Structuring the “firms and poverties” debate: Legitimacy, interest, modalities, efficiency*
Frédéric Dalsace, David Ménascé

The relationship between firms and poverty has deeply evolved over the last years: both the search for new markets and the maturity of CSR policies have contributed to an increasing corporate interest in poor populations. If corporated initiatives to alleviate poverty are diverse, a common thread emerges: poverty alleviation cannot be considered anymore as a philanthropic activity, but should be tackled through market-based approaches. This evolution raises questions both within the traditional social actors (public authorities, NGOs) and within corporate leaders. In order to better frame a potentially heated debate, we propose four themes that collectively structure the relationship between poverty and firms: the issue of firm legitimacy, its interest, modes of action, and its effectiveness.

45 *Towards the construction of markets at the Base of the Pyramid. Implications for the management and funding of projects*
François Perrot

The idea that huge markets exist at the base of the pyramid finds its source in the confusion between the immensity of the needs of poor people and the reality of the economic demand. The article asserts that most markets at the BoP do not yet exist but need to be built through a series of specific efforts intended to remove the constraints facing BoP consumers. The article then discusses the implications of a market construction strategy on the management of BoP projects and the funding of the different cost factors or investments associated with such approach.

63 *BoP strategy grounded into poverties: a dialogical model*

Alain Charles Martinet, Marielle A. Payaud

This paper makes a focus on « Bottom of Pyramid » (BoP) strategies. It gives a conceptual framework and a set of guidelines for the formulation of this kind of strategies. A deep care of poor communities involved seems possible via a grid which links two sets of concepts: the “costs of man” (François Perroux) and “capabilities” (Amartya Sen and Martha Nussbaum).

83 *Poverty alleviation and organizational innovation.*

The case of a cooperatives incubator in Rio

Bernard Leca, Luis Emilio Cuenca Botey, Philippe Naccache

Investigating the case of the Technological Incubator for Popular Cooperatives (ITCP) at the University of Rio de Janeiro, this study shows that such an incubator favors the creation of cooperatives through teaching the principles and tools of market and cooperative logics, and increase the legitimacy of those projects. The ITCP also has a mission of popular education, using the creation of cooperatives as way to operate more largely within the favelas. Differences between this specific incubation process and the established practices in new ventures incubation are discussed as well as the potential insights for struggle against poverty.

101 *Measuring the contribution of extractive industries to local development.*

The case of oil companies in Nigeria

Gaël Giraud, Cécile Renouard

Extractive industries which feel concerned by local development face two challenges: 1) By internalizing the negative externalities of their activities, they have to acknowledge that societal activities belong to their core business ; 2) They should take part to socio-economic projects fostering the quality of their stakeholders' social networks, and not just their material living conditions. In view of surveys lead in Nigeria about the impact of oil production, the paper offers to indicators of societal performance.

117 *Bottom of pyramid market development. A moral firm*

Céline Cholez, Pascale Trompette, Dominique Vinck, Thomas Reverdy

This article focuses on Bottom of Pyramid market development. The research consists in the concrete experimentation of off-grid rural electrification project in developing countries. It shows how the development of a BoP market carries a strong political and moral dimension (Fourcade and Healy, 2007). Implementing this approach implies positioning the firm as political actor in the arena of development programs. Indeed, in its attempt to define “good manners

to consume”, the company faces local values of users far away from current values in our societies as well as legitimate justifications within the scope of the BoP discourse. This difficulty creates tensions in the open search for relevant partners that bear strong issues of “moral suitability” of the value chain. This tension leads company to circumvent public institutions and to enter into forms of complex political exchanges.

137 *How can a multinational firm alleviate poverty? Lessons from Danone in Poland*

Florent Pestre

This article contributes to a better understanding of the phenomenon of building strategies against poverty. Research mobilizes the literature on social responsibility of multinational firms and relies on a process of co-construction of these strategies by headquarters and subsidiaries, to describe the various phases of formulation and implementation of the Danone Group CSR/BoP strategy. The robustness of the framework is discussed in terms of its ability to meet three main challenges: strategic innovation, local experimentation and leadership.

155 *Meaning and consequences of the increasing attractiveness of the microcredit sector in France*

Sandrine Stervinou

Microcredit, one of the tools used to fight against poverty, is, today, in France, the object of diverse public policies, such as incentives to private actors to increase their activity in this industry. This evolution, not much studied until now, raises questions concerning its meaning and consequences on the microcredit industry and its targeted customers, the poorest. These points are analysed in this article through a case study realised on the territory of Nantes.

175 *Social business as a learning lab for breakthrough strategies*

Benedicte Faivre-Tavignot, Laurence Lehmann-Ortega, Bertrand Moingeon

Building on the study of the joint venture between Danone and the Bangladeshi Grameen Group, a social business aimed at offering a nutritive and healthy product helping poor children fight against food deprivation, this article suggests that companies developing proactive strategies in the field of CSR incidentally strengthen competencies needed for replicating breakthrough strategies. Provided that they aim for the breakeven point in these new ventures, so as to ensure their sustainability, the constraints of social business create a real breakthrough learning lab, since they require entering a double loop learning process, they highlight the relevance of cooperation and develop market-orientation skills.

- 191 *Market-based approaches and sanitation in Nairobi's informal settlements*
Tatiana Thieme, Justin De Koszmovsky

2.6 billion people currently lack access to adequate sanitation. Over 50% of the world's population now lives in cities. 43% of city-dwellers in the developing world live in "informal settlements" with dismal sanitary conditions. In the slums of Nairobi, Kenya, some of the largest in East Africa, the best estimate is that there are 150 residents sharing the same toilet facility. Sanitation has therefore become one of the key components on the development agenda and focus for "social innovation". This article discusses 5 particular cases from Nairobi, Kenya, highlighting a range of "market-based approaches" to the provision of perhaps the most basic of needs and most private of public goods – the toilet. These cases help explore the nuances of the end-user/consumer positioning and consider the complexity of meeting individual needs, influencing behaviour change, while respecting and leveraging existing cultural norms and enabling consensus concerning maintenance of cleaning standards.

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