



Reporter: SUN Yikai and Nour Kamel, EDHEC Business School
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COMBATING POVERTY: MERGING STRATEGIC CORPORATE INTERESTS WITH CIVIL SOCIETY'S CSR EXPECTATIONS

Moderator: *Patricia WERHANE*, managing Director of the Institute for Business and Professional Ethics at DePaul University and Professor Emeritus at the University of Virginia;
Speakers: *Pierre DUPONCHEL*, founder of the co-operative LE RELAIS, France
Y.W. JUNARDY, CEO of PT RAJAWALI COPORATE, Indonesia.

Using a number of examples, the 3 speakers discussed globalization, global poverty, and the expansion of global capitalism. **Ms. Werhane** explained the link she sees between poverty and global capitalism. Quoting Bill Gates' words during the 2008 conference in Davos, she talked about corporate responsibility in the developing world. She then showed that the pyramid shape of the map of economic demographic distribution is changing to become a diamond shape, illustrating that the BRIC countries are becoming the largest consumer group in several decades, with 3 to 4 billion population, and €5 trillion purchasing power. However, there still remains 'the bottom billion' of the demographic map.

Ms. Werhane shared her points of view with regard to international (voluntary) standards for global business practice. Most of the codes are flawed: too long, too vague, not practical enough to be implemented, etc. Another serious problem is governmental corruption, quite common in some African countries. **Ms. Werhane** concluded that since the world is imperfect, we must therefore avoid overgeneralization and flawed mind sets; we should put people, not firms in the middle of the stakeholder model; and become more specific when helping people: "faces and places, not the poor in general".

Mr Duponchel presented his business by showing a video, delivering the message that by doing 'philanthropic' business, one can also make profit. His corporation LE RELAIS had, since the 1980's, been accepting unemployed people from the streets, even the homeless; today, the company has 2000 employees and an annual revenue of €65 million. Their motto is to 'refuse the misery'.

LE RELAIS works on sustainability on many levels: from the recycling of clothes, to its redistribution overseas thus allowing poor populations to work and to get dressed, and also on the level of companies that transform textile waste thus increasing its value and its use in various new ways. This "inclusive business model" is indeed sustainable and collaborative at all levels of the value chain.

Mr. Junardy presented his experience of poverty alleviation in Indonesia. He defines poverty as lack of access to clean water, education, financial facility, etc. By using as an example, the business model of his firm EXPRESS TAXI in Indonesia, **Mr. Junardy** introduced new business schemes which will flourish in the near future. Finally, he called for action from the world "we can do a lot together to develop collaborative actions to do good to the environments and to humankind".

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