

Tomorrow's Inclusive Development

A new architecture for
reducing global poverty



tomorrow's
company

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“Is it realistic to expect that most people on the planet will have access to clean water within the life spans of those alive today? Not if we have only our present solutions and structures to rely on.”

Gib Bulloch, executive director, Accenture Development Partnerships¹

“Future capabilities will be very different and will put a premium on lateral thinking and cross functional collaborative problem solving.”

Jeff Swartz, former president and CEO, The Timberland Company²

“There are... more than 3,000 examples of social enterprises, of large companies, of private equity funds in the private sector that are building these [‘inclusive business’] models. Yet there are around 82,000 multi-national companies let alone hundreds of thousands of medium domestic companies. So we are just scratching the surface of what is possible and what we need to do if we are to achieve scale.”

Jane Nelson, senior fellow and director of Corporate Social Responsibility Initiative, Harvard University³

“My hope is that the twenty first century will bring greater equity through the unity of East and West as well as the three unities of ego and eco, ying and yang and of ‘soft’ and ‘hard’ power and that action and knowledge will combine so that all of us learn by doing and do by learning.”

C. S. Kiang, chairman, Sustainable Development Technology Foundation, and member of the Advisory Board, Global Urban Development⁴

Foreword

This report is the culmination of an intermittent journey over many years: from some very tentative conversations with generally unreceptive Oxfam colleagues in the late 1980s, through a period of some roughly formed ideas, and then participating peripherally in the development of some Oxfam private sector policy.

Throughout I have believed that development NGOs have been missing the opportunity to work more collaboratively with and influence business towards realising its presently untapped potential to contribute more positively to global human development and poverty reduction.

Of course, over this period NGOs have recognised that business can be a greater contributor to achievement of their poverty reduction goals. This recognition is reflected in many more recent examples of partnerships between development NGOs and the openness of companies to work with them.

While recognising this modest progress, I had begun to imagine and develop proposals for a project which would lead to business becoming a much greater part of the solution to overcoming global poverty. I therefore welcomed Lord Joel Joffe's introduction to Tomorrow's Company, and to its report 'Tomorrow's Global Company: challenges and choices'. I was delighted that the report had built the platform for the type of constructive engagement that I envisaged would be created by this project.

Tomorrow's Company's belief that, into the future, successful companies "*must play a greater role in contributing to solving the problems that society faces, including environmental degradation, poverty and the abuse of human rights*", and the partnership between business and civil society which was proposed in the report, were precisely the philosophical stance and type of relationship I was envisaging.

As this project evolved, my horizons were lifted as we explored and developed an architecture for business, NGOs and governments to share in co-creating truly 'inclusive development' with the potential to transform the pace and scale of reducing global poverty.

For these reasons, it has been a privilege to have joined with Tomorrow's Company in this contribution to reducing global poverty and, in particular, to have worked closely with my colleague and now my friend, Grahame Broadbelt who I thank for his commitment, original and challenging thinking, persistence, patience and valued collaboration.



Ian Anderson AM, PhD, M.Litt, FCA (Aust), CPA (Aust), FHKICPA
Past chair, Oxfam International





For many companies, better social, environmental, or community stewardship can still represent a real economic trade-off. Although this may be lessening, some companies believe there are still hard-nosed economic choices to be made between, for example, internalising externalities and maximising short-term profitability. This has to be recognised in any discussion of proposals for a more inclusive model for international development.

This report calls for increasing the cooperative aspects of NGO-business engagement on development, while acknowledging that NGOs still have an important role in whistleblowing or critical campaigning targeting errant companies. It will be valuable to discuss to what degree this is about moving NGOs to a different point along a scale of engagement-criticism; to what degree it is about calling on NGOs to develop their capacity to engage; and to what degree it is calling for a fundamental shift in an NGO's behaviour. Realistically, it is likely to include all three approaches depending on the NGO.

Does the call for a 'culture change' run up against the view held by some NGOs that there are irresolvable contradictions at the core of the current market-based system between the interests of labour and capital, the environment and capital, community and capital? Some NGOs would argue that the key area of change is not within them or their culture, but with the core values or basic structures of the market-based system. So the ultimate question is how to achieve systemic change sufficient to ensure and enable a shift in the factors governing corporate policies, practices and decision-making. Has business been 'singled out' when they are simply operating in an economic system which incentivises or even requires behaviours and choices which can be perceived as against the more general social good?

There is definite value exploring the link between the possibilities for contributing to the co-creation of 'inclusive development' as envisaged by this report, and its relationship to achieving more profound changes in the way we shape and manage our economy as a whole. Inspired NGO and business engagement can reveal the art of the possible and the profitable, while not being incompatible with work on the larger question of more socially progressive economic models.

As a move to further this thinking, Tomorrow's Company philosophy that the purpose of major companies is *'To provide ever better goods and services in a way that is profitable, ethical and respects the environment, individuals and the communities in which it operates'* is welcome and warrants support.

A handwritten signature in black ink, appearing to read 'John Sayer'. The signature is fluid and cursive, with a long horizontal stroke at the end.

John Sayer
Director general, Oxfam Hong Kong

Executive summary

There is an urgent need to re-imagine and re-think how to tackle global poverty.

The capabilities and capacity of businesses to contribute to reducing global poverty is widely recognised but many companies find themselves struggling with rising levels of expectations and to keep pace with an evolving policy agenda and initiatives. Nongovernmental organisations (NGOs) have historically conducted their relationships principally through the lens of advocacy directed towards policies and practices they believe contrary to the interests of specific communities or the global poor. Governments and multilateral institutions are under growing pressure to respond to the challenges of sustainability and inequality.

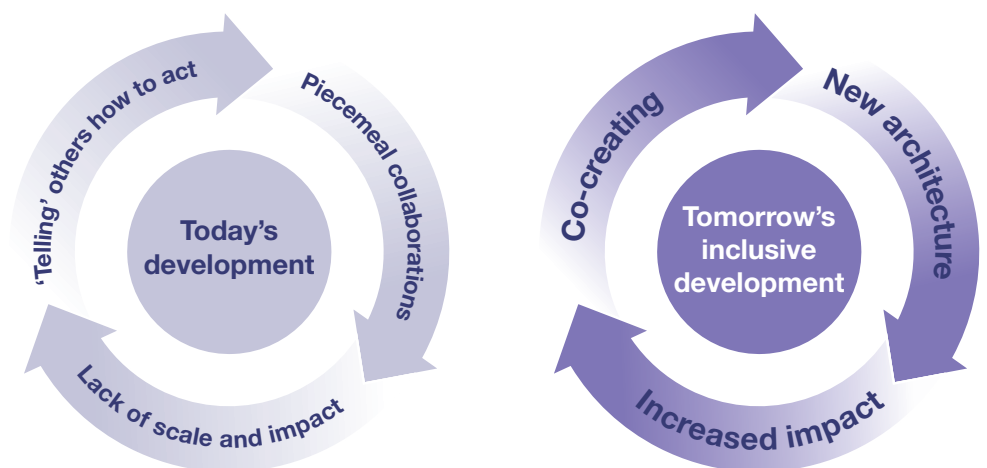
While there is a growth in cross-sector partnerships and collaboration, and some progress is being made, present structures, policies and efforts to combat global poverty are failing to make sufficient progress. Differences and ‘telling’ each other how to act rather than acknowledging common interests and shared purposes continue to be emphasised.

There is opportunity to move beyond the traditional terms of engagement across all sectors, opportunity for new thinking and new action across all sectors.

Transforming international development and poverty reduction requires that all participants work together across organisations within sectors and across sectors in an inclusive way. Each sector has much to offer the other: no one sector can succeed alone.

There needs to be a new dialogue and a new architecture for collaboration between companies, development NGOs and governments to bring about the needed systemic change at the pace and scale demanded by the urgency of global poverty.

And a need to move from ‘today’s development’ to ‘tomorrow’s inclusive development’:



This involves moving, learning and adapting faster and working together to realise the potential of ‘inclusive development’ to transform the scale, speed and effectiveness of a collective response to global poverty.

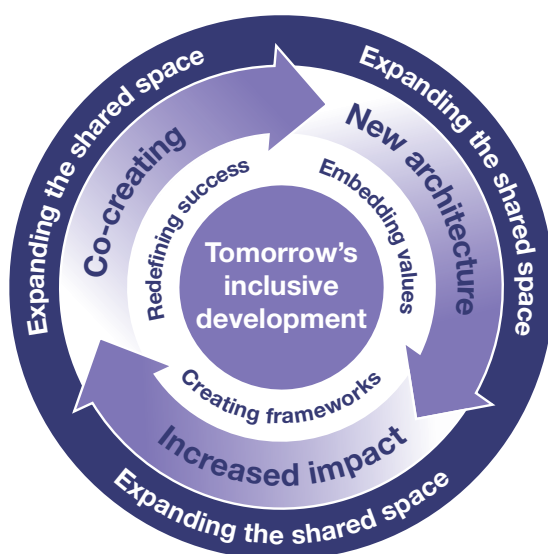
An agenda for change

We define ‘inclusive development’ as the process through which businesses, their host and investor country governments and NGOs from those countries work collaboratively, transparently and accountably to support, encourage, facilitate, incentivise and effect sustainable economic and social development which contributes to the reduction of poverty and inequality. *(This is described in more detail in Part 4.)*

To achieve the step change to ‘inclusive development’, the private, NGO, government and multilateral sectors should adopt and further develop the model of ‘expanding the space’ advocated by the leaders of the companies and NGOs who were involved in the Tomorrow’s Global Company Inquiry – to create a model for **‘expanding the shared space’**:

- **redefining success** – what does this look like for companies, NGOs and governments in terms of ‘inclusive development’?
- **embedding values** – what are the shared values that will create the shared value that can be derived from ‘inclusive development’?
- **creating frameworks** – through which ‘inclusive development’ is cultivated.

Expanding the shared space



This will enable all concerned in every sector to be much clearer about what good practice looks like so that a new collaborative community can work together to embed inclusive approaches, practice and continue to refine ‘inclusive development’.

Opposite are some questions that each organisation from each sector can ask of themselves to help achieve this new approach.

As a contribution to this much needed transformation, Tomorrow’s Company proposes to explore, with other interested parties, the benefit of and how best to establish a **Tomorrow’s Inclusive Development Faculty**. This would involve a range of stakeholders to discuss how best to design and implement the principles of ‘inclusive development’, through piloting and sharing learning, to maximise sustainable outcomes and opportunities for scaling up.

Questions for all organisations across all sectors

1. Does your organisation believe that other organisations from other sectors have a significant contribution to make in helping you achieve your goals in developing countries?
2. What is your organisation doing to help build the capabilities of organisations from other sectors to understand how to collaborate effectively with you?
3. Does your organisation have a clear view of the common ground that you share with other sectors in tackling international development needs?
4. What is your organisation doing to help increase understanding of the nature and extent of the common ground that is shared across organisations and sectors in international development?
5. How can your organisation contribute to bringing about a radical transformation in the speed, scale and effectiveness of our collective response to international development needs?
6. How does your organisation need to change in order to behave more inclusively in the spirit and practice of 'inclusive development'?

Questions for international development NGOs

1. How much priority is given to collaborative engagement with businesses as a means of achieving your organisation's poverty reduction goals?
2. How is your organisation building the internal capability to engage directly and confidently with businesses in collaboratively responding to international development needs?
3. What do you believe to be the principal policies and practices that, if adopted by companies, would assist businesses in maximising their contribution to international development problems?

Questions for the private sector

1. To what extent do you believe that there is a business case for working to reduce global poverty?
2. How can you be encouraged, supported and incentivised by and through others to do more in working to reduce poverty in developing countries?
3. To what extent do you see the common ground that you inhabit with other sectors in developing countries as an opportunity to co-create new and shared value?

Questions for the government sector

1. What are you proactively doing to use the convening power of government to bring the international development NGO community and the private sector together to identify and expand common ground in developing countries?
2. How are you continuously building your capability in understanding how to encourage, support and incentivise the private sector to do more in tackling global poverty?
3. How are you working with and through multilateral institutions and developing country governments to co-create the conditions which seek to embed inclusive approaches to international development?

Part 1: Introduction

“We believe that the purpose of Tomorrow’s Global Company is to provide ever better goods and services in a way that is profitable, ethical and respects the environment, individuals and the communities in which it operates.”

Tomorrow’s Global Company: challenges and choices

“We believe in a strong market economy. The market economy has driven human progress and growth, lifting the living standards of many people. But the world is now undergoing a period of unprecedented change and it is becoming clear that the current frameworks in which the market operates are leading to unsustainable outcomes. There are major issues which the market and the political systems have not resolved – particularly climate change, areas of persistent poverty and abuses of human rights.”

Tomorrow’s Global Company: challenges and choices

Background

In Tomorrow’s Company’s 2007 report, ‘Tomorrow’s Global Company: challenges and choices’, an influential group of leaders of business, NGOs and other organisations set out a vision for a change in the role of global businesses.⁵ These leaders recognised that the market as currently constituted is leading to unsustainable outcomes, and that for companies to succeed into the future they must play a greater role in contributing to solving the problems that society faces. The report calls for companies to redefine success in ways more closely aligned with the needs of society and the planet, to embed shared human values, and to work with NGOs, other companies, governments and international organisations to ensure that enabling frameworks are created so that business can realise its full potential as a ‘force for good’.

This analysis provides a unique framework within which to consider the importance of, and potential for, a new way of working between businesses, NGOs, governments and the multilateral institutions.

Building on this framework, this research set out to understand and find ways of improving the relationship between international development NGOs and the private sector so that they can work more effectively together to tackle global poverty. Tomorrow’s Company believes that the private sector is a largely untapped resource for global poverty reduction and that the NGO sector has the capacity to help unlock the resources and capacities of the private sector in ways which serve their mutual and collective objectives and interests.

The central questions the research set out to answer, using the methodology summarised in the appendix are:

1. How can the private sector be encouraged and supported to fulfil its potential and to do more in meeting the challenges of international development?
2. What is the role of the international development NGO sector in encouraging and supporting the private sector to contribute more to global poverty reduction?
3. How can there be movement beyond the traditional relationships between the sectors in the context of global poverty reduction?
4. What is required at a systemic level to increase the scale and speed of a collective response to global poverty?

During our research we have consulted 63 representatives from businesses, NGOs, UK government and academia covering 51 organisations. An extensive literature review has been undertaken by associate professor Barbara Rugendyke and Dr Colin Hearfield of the University of New England, Armidale, NSW, Australia.

The research has concentrated on UK and international development NGOs. We of course acknowledge the role and importance of NGOs from the ‘Global South’ and the significance of their local, national and regional poverty reduction, advocacy and social enterprise programs. Full realisation of the private sector’s potential contribution to human development and poverty reduction must incorporate optimum collaboration between business from both developed and lesser developed economies, Southern, Northern and international NGOs, governments and the multilateral institutions.

Context

There is little need to review here the scale, breadth and depth and scope of global poverty and its impact on the estimated 1.4 billion people who continue to live on incomes below \$1.25 per day.

Our starting point is simply that present structures, policies and efforts are failing to make sufficient progress in improving the conditions for the global poor, as highlighted by the Millennium Development Goals: 2010 Progress Chart.⁶

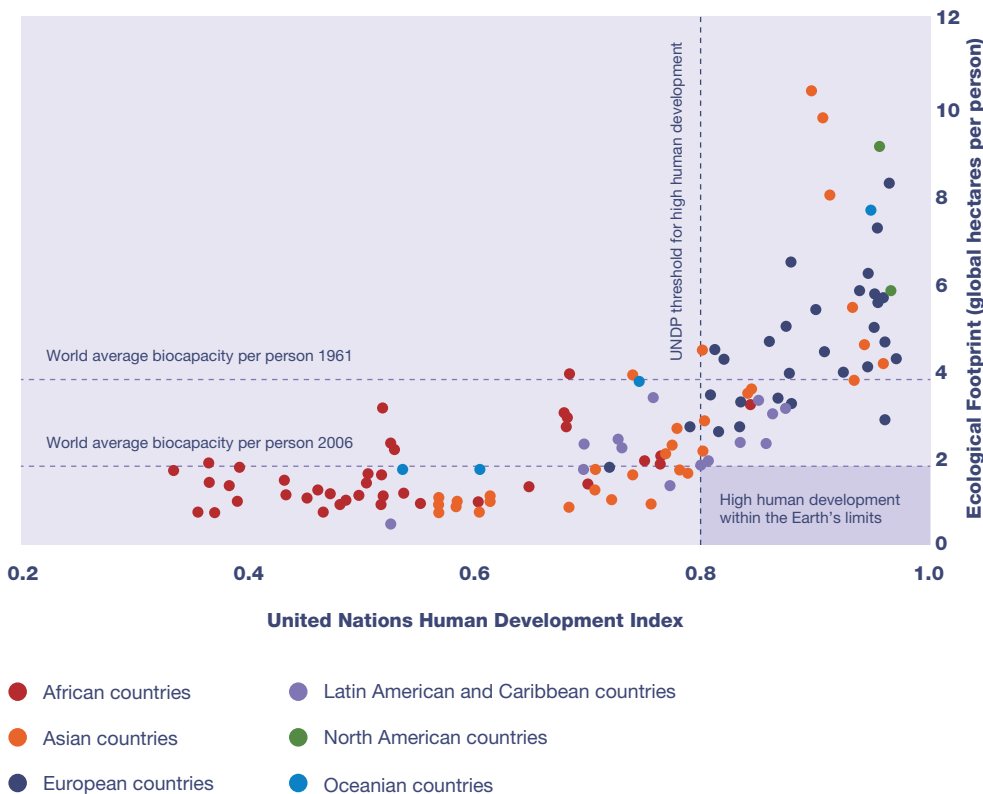
The need to re-imagine and re-think how to approach and tackle global poverty is also provoked by the wider need to create a more sustainable global system as the world enters what Tomorrow's Company is calling the 'Age of Sustainability'.

Projecting forward into the future the 'business as usual' approach is unsustainable; global environmental limits mean that this is simply impossible. As the World Business Council for Sustainable Development (WBCSD) recent Vision 2050 report puts it: "we now need to meet the twin goals of accelerating the pace of human development whilst simultaneously reducing the ecological impact of that development."⁷

The graph taken from their report, and reproduced below, shows both the target zone to be hit (the rectangle at the bottom right) and the distance from that target zone the regions of the world currently are. Things need to be done differently ahead.

"Although NGOs and government agencies have been able to slow some of the effects of poverty, disease and other global development problems, they are nowhere near overcoming them."
Convergence Economy: Rethinking International Development in a Converging World⁸

Meeting the dual goals of sustainability – high human development and low ecological impact



© Global Footprint Network (2009). Data from Global Footprint Network National Footprint Accounts, 2009 Edition; UNDP Human Development Report, 2009

Millennium Development Goals: 2010 Progress Chart

| Goals and Targets | Africa | | Asia | | | | Oceania | Latin America & Caribbean | Commonwealth of Independent States | |
|-------------------|----------|-------------|---------|---------------|----------|---------|---------|---------------------------|------------------------------------|------|
| | Northern | Sub-Saharan | Eastern | South-Eastern | Southern | Western | | | Europe | Asia |

Goal 1 Eradicate extreme poverty and hunger

| | | | | | | | | | | |
|----------------------------------|-----------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------|
| Reduce extreme poverty by half | low poverty | very high poverty | high poverty | high poverty | very high poverty | low poverty | – | moderate poverty | low poverty | high poverty |
| Productive and decent employment | very large deficit in decent work | very large deficit in decent work | large deficit | very large deficit in decent work | very large deficit in decent work | very large deficit in decent work | very large deficit in decent work | moderate deficit in decent work | small deficit in decent work | large deficit |
| Reduce hunger by half | low hunger | very high hunger | moderate hunger | moderate hunger | high hunger | moderate hunger | – | moderate hunger | low hunger | moderate hunger |

Goal 2 Achieve universal primary education

| | | | | | | | | | | |
|-----------------------------|----------------|--------------------|----------------|----------------|--------------------|--------------------|---|----------------|----------------|----------------|
| Universal primary schooling | high enrolment | moderate enrolment | high enrolment | high enrolment | moderate enrolment | moderate enrolment | – | high enrolment | high enrolment | high enrolment |
|-----------------------------|----------------|--------------------|----------------|----------------|--------------------|--------------------|---|----------------|----------------|----------------|

Goal 3 Promote gender equality and empower women

| | | | | | | | | | | |
|--|-------------------------|--------------------|-------------------------|-------------------------|--------------------|-------------------------|-------------------------|-------------------------|--------------------|--------------------|
| Equal girls' enrolment in primary school | close to parity | close to parity | parity | parity | parity | close to parity | almost close to parity | parity | parity | parity |
| Women's share of paid employment | low share | medium share | high share | medium share | low share | low share | medium share | high share | high share | high share |
| Women's equal representation in national parliaments | very low representation | low representation | moderate representation | moderate representation | low representation | very low representation | very low representation | moderate representation | low representation | low representation |

Goal 4 Reduce child mortality

| | | | | | | | | | | |
|--|---------------|---------------------|---------------|--------------------|----------------|---------------|--------------------|---------------|---------------|--------------------|
| Reduce mortality of under-five-year-olds by two-thirds | low mortality | very high mortality | low mortality | moderate mortality | high mortality | low mortality | moderate mortality | low mortality | low mortality | moderate mortality |
|--|---------------|---------------------|---------------|--------------------|----------------|---------------|--------------------|---------------|---------------|--------------------|

Goal 5 Improve material health

| | | | | | | | | | | |
|--|--------------------|---------------------|---------------|-----------------|-----------------|--------------------|----------------|--------------------|---------------|-----------------|
| Reduce material mortality by three quarters* | moderate mortality | very high mortality | low mortality | high mortality | high mortality | moderate mortality | high mortality | moderate mortality | low mortality | low mortality |
| Access to reproductive health | moderate access | low access | high access | moderate access | moderate access | moderate access | low access | high access | high access | moderate access |

Goal 6 Combat HIV/AIDS, malaria and other diseases

| | | | | | | | | | | |
|---|----------------|-----------------|--------------------|----------------|--------------------|----------------|---------------------|---------------------|---------------------|--------------------|
| Halt and reverse spread of HIV/AIDS | low prevalence | high prevalence | low prevalence | low prevalence | low prevalence | low prevalence | moderate prevalence | moderate prevalence | moderate prevalence | low prevalence |
| Halt and reverse spread of tuberculosis | low mortality | high mortality | moderate mortality | high mortality | moderate mortality | low mortality | moderate mortality | low mortality | moderate mortality | moderate mortality |

Goal 7 Ensure environmental sustainability

| | | | | | | | | | | |
|--|--------------------------------------|---------------------------------------|--------------------------------------|----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------|-------------------|
| Reverse loss of forests | low forest cover | medium forest area | medium forest area | high forest cover | medium forest area | low forest cover | high forest cover | high forest cover | high forest cover | low forest cover |
| Halve proportion without improved drinking water | high coverage | low coverage | moderate coverage | moderate coverage | moderate coverage | high coverage | low coverage | high coverage | high coverage | moderate coverage |
| Halve proportion without sanitation | moderate coverage | very low coverage | low coverage | low coverage | very low coverage | moderate coverage | low coverage | moderate coverage | moderate coverage | high coverage |
| Improve the lives of slum-dwellers | moderate proportion of slum-dwellers | very high proportion of slum-dwellers | moderate proportion of slum-dwellers | high proportion of slum-dwellers | high proportion of slum-dwellers | moderate proportion of slum-dwellers | moderate proportion of slum-dwellers | moderate proportion of slum-dwellers | – | – |

Goal 8 Develop a global partnership for development

| | | | | | | | | | | |
|----------------|------------|-----------|------------|----------------|-----------|------------|-----------|------------|------------|----------------|
| Internet users | high usage | low usage | high usage | moderate usage | low usage | high usage | low usage | high usage | high usage | moderate usage |
|----------------|------------|-----------|------------|----------------|-----------|------------|-----------|------------|------------|----------------|

The progress chart operates on two levels. The words in each box indicate the present degree of compliance with the target. The colours show progress towards the target according to the legend below:

- Already met the target or very close to meeting the target
- Progress sufficient to reach the target if prevailing trends persist
- Progress insufficient to reach the target if prevailing trends persist
- No progress or deterioration
- Missing or insufficient data

*The available data for maternal mortality do not allow a trend analysis. Progress in the chart has been assessed by the responsible agencies on the basis of proxy indicators.

For the regional groupings and country data, see <http://mdgs.un.org/unsd/mdg/>. Country experiences in each region may differ significantly from the regional average. Due to new data and revised methodologies, this Progress Chart is not comparable with previous versions.

Sources: United Nations, based on data and estimates provided by: Food and Agriculture Organization; Inter-Parliamentary Union; International Labour Organization; International Telecommunication Union; UNAIDS; UNESCO; UN-Habitat; UNICEF; UN Population Division; World Bank; World Health Organization – based on statistics available as of June 2010.

Compiled by Statistics Division, Department of Economic and Social Affairs, United Nations.

We have a world to win

by Tony Manwaring

Nine billion people. One planet. The way we make things to satisfy our needs and expectations relies on the assumption that the planet's resources are unlimited. 1.4 billion people living in absolute poverty worldwide, many more on the basis of the way we in the West live. It just doesn't add up.

Truth be told, we don't really know what to do about it. And all too often when we do take action it may succeed in part but not in full, whilst leading to new issues that need to be tackled.

Rio +20 beckons – this generation's opportunity to advance the cause of sustainable development, to honour the historic contribution of those that have come before us. But faith and confidence in current institutions and multilateral frameworks has been shaken. Rio must not become another Copenhagen.

When you are in a hole, stop digging: but confronted by the scale and urgency of the challenges we face, there is a real danger that we are going to dig ever more furiously, 'silo-thinking' competing with 'hole digging' is mutually assured self-destruction, assuaged by finger-pointing.

We need solutions that are fit for purpose – and that means having an understanding of systems as a whole, not trying to fix one part and then another. But that of course is far too mechanical a way of thinking about what needs to be done, which in many ways is the point of this report.

This is all about how we as humans work together, and the obstacles we put in place to achieving all that we can and need to do together. In particular, how we need to go beyond the presumption that if we work in a company, large or small, or in an NGO, or in government, we do so from a position of inherent moral superiority or of greater organisational impact and effectiveness.

We are all part of the problem, and we all need to be part of co-creating new ways of tackling those problems that are fit for purpose. We need to absolutely build on the foundations created by Brundtland and her colleagues, whilst ensuring that we think anew as to how best to achieve the objective of meeting *“the needs of the present without compromising the ability of future generations to meet their own needs”*.⁹

Brundtland of course rightly focused on giving overriding priority to the essential needs of the world's poor, whilst recognising the limitations imposed by the current state of technology and social organisation to effectively meet those needs.

Our focus is rather on the culture, behaviours, assumptions and mindsets which frame – often unconsciously – how we seek to achieve these goals. Our conviction is that these can open up new possibilities in technology and social organisation, which are not 'givens', liberating new capacities, creating new possibilities.

We all live in 'developing' countries now – irrespective of how long we have followed established models of development, and become increasingly locked into those models, we all now need to learn and practice different models of development and sustainable success. And in our increasingly complex and interconnected world, we have no option but to do this together.



The work done across the world by many NGOs is extraordinary, let me be clear. The expertise, dedication and capability of people in NGOs are just brilliant. NGOs inspire a trust and a commitment that is precious and distinctive, enabling millions to engage with and to practically contribute to tackling deep poverty and intractable issues which blight our planet. (I've worked for some excellent NGOs and am proud that I have.)

That NGOs do great work does not mean that they have all the solutions. Nor would they make this claim of course, but all too often, when it comes to working with business, NGOs *behave* as if this is the case, reinforced by their own business model which secures their own organisational success. This is recognised by a number of people working for NGOs with whom we have been talking, and, truth be told, is often the experience of those in business.

Here's the paradox: what has worked does deliver great results but does not achieve systemic change. We are locked into a number of interdependent and mutually reinforcing patterns of cause and effect: to lift people out of poverty requires higher levels of economic growth, but we don't know how to achieve this without diminishing already scarce resources. We are forced to choose between aid vs. local 'bottom up' development, fearful that aid is wasted and reinforces a culture of dependency which demands more aid.

This report does not provide an alternative set of policy outcomes. Rather it argues that new solutions can only come out of a new collaborative and generative series of relationships between those in business, NGOs and government. It must be rooted in mutual respect not because we should be nice to each other, but because our shared purpose is to tackle poverty worldwide. We must recognise the essential and unique role that businesses have to play *and* that businesses cannot do all they can without working with others to create the enabling conditions they require. Businesses cannot do this on their own – it is in the self-interest not only of businesses but also of NGOs and government alike to work in this way.

The ground has shifted fundamentally, creating long-term and sustainable value now requires building economic, social and environmental capital, but we are still locked in old mindsets, ways of thinking and behaving. 'Inclusive business' makes demands of business to be different; 'inclusive development' recognises that change is required of NGOs and governments as well, in order that business can make its full and necessary contribution.

There is a simpler way to explain why Tomorrow's Inclusive Development is right. If you are working with others to do something you cannot do on your own, you are unlikely to succeed by holding back, taking the moral high ground and waiting for others to fail, so you can say "*I told you so*".

To paraphrase: we have nothing to lose but the chains of our misunderstanding and the artificial differences which keep us apart – together, we have a world to win. People of all countries, unite!

A handwritten signature in black ink that reads "Tony Manwaring". The signature is written in a cursive, slightly slanted style. Below the name, there is a long, horizontal, slightly wavy line that serves as a decorative flourish or underline.

Chief executive, Tomorrow's Company

Part 2: Reducing poverty – the different roles

Transforming international development and poverty reduction requires that all participants work together across organisations within sectors and across sectors in an inclusive way. Each sector has much to offer the other: no one sector can succeed alone.

The role of the private sector

At the heart of Tomorrow's Company's work is the deep sense that companies need to move beyond a traditionally narrow definition of their role and function in our globalised society, and see more broadly both the challenges and the opportunities confronting business.

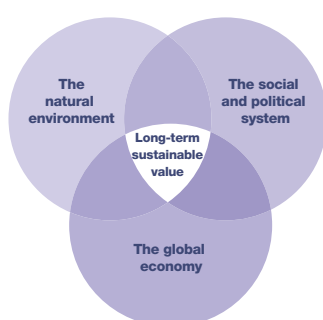
Individual business success is intimately and profoundly connected to the wider success of the society within which it operates. Long-term sustainable value creation will come from recognising the 'triple context' – the links between the economic, social and environmental sub-systems on which we all depend, and the opportunities this brings.

Businesses have both a private and a public value and increasingly, through the interconnectedness of the global financial system, the separation between the private shareholder value and the wider stakeholder value of business is becoming blurred; all are investors in economic progress.

These perspectives extend beyond the narrative of 'enlightened self-interest' or the confines of traditional corporate social responsibility (CSR) and corporate philanthropy in the context of business as a greater contributor to economic and social progress leading to reduction in global poverty.

The notion of 'expanding the space,' as advocated by the business and NGO leaders in the 'Tomorrow's Global Company' (TGC) report in 2007, articulates a set of actions which more completely reflect the role that business plays – and must play – in response to the challenges of the 'triple context' within which all are working.¹⁰

The 'triple context'



Expanding the space

Redefining success

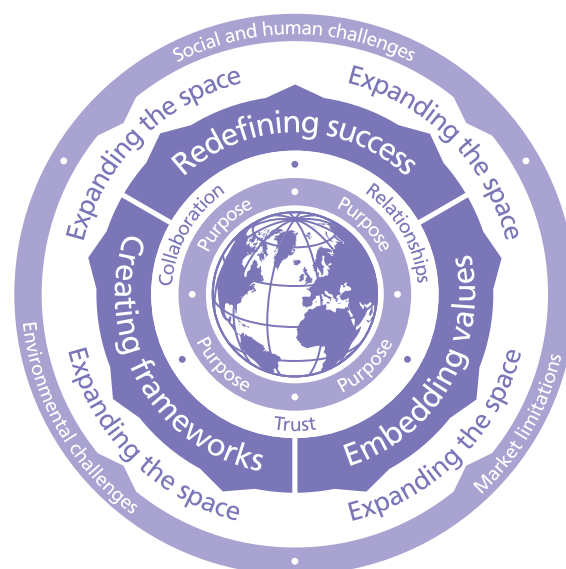
Tomorrow's company should expand its view of success and redefine it in terms of lasting positive impacts for business, society and the environment. A new, wider and deeper view of what company success looks like is a profound call to action for companies to fulfil their potential as forces for good.

Embedding values

Tomorrow's company must define, live by and be judged by the values it publicly espouses and apply them rigorously across the scale and scope of their operations, plans and strategies. Tomorrow's company understands the intimate connection between embedding values and creating value in the modern global economy.

Creating frameworks

Tomorrow's company is actively engaged in supporting the development of national regulatory frameworks and international agreements that create the conditions for successfully responding to the global challenges we face. To do so, tomorrow's company must actively and effectively engage with governments, NGOs and wider civil society to create better and more effective frameworks to the benefit of all.



Shared Value

Our understanding of the possibilities for the private sector in poverty reduction through the work of the TGC Inquiry also has resonance with the recent work of Porter and Kramer and their concept of ‘Shared Value’,

“The concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.”¹¹

Their idea of ‘Shared Value’ focuses on the connections between societal and economic progress and the role of companies in bringing business and society together. Porter and Kramer use the concept of ‘Shared Value’ as a way of understanding the practical implications for companies of ‘expanding the space’ and taking a more integrated approach to their role and actions.

Like the findings of the TGC Inquiry Team, the concept urges companies to move beyond what have been regarded as the traditional trade-offs between the interests of their business and the wider interests of society.

Porter and Kramer agree with the TGC Inquiry that an expanded view of corporate success sees the health of a company and the health of the communities around it as closely intertwined.

Inclusive Business

Since 1995 Tomorrow’s Company has used the term ‘inclusive company’ as a way of describing the role and function of progressive companies which seek to operate in ways which makes ‘equal sense to staff, shareholders and society’ acknowledging and describing ways in which businesses create social as well as financial capital.

The similar term, ‘inclusive business’, is also widely used in the international development arena to describe operations which are intentionally ‘pro-poor’ in their impact; such business practices are adapted in ways which reach beyond traditional philanthropic approaches to creating stakeholder/social value in an international development context.¹² There is therefore a rich ecology of ideas on which to build to codify the role of business in poverty reduction. (see *opposite for a summary of some of the terminology relating to the role of business in reducing poverty*)

The tension in the arguments about ‘inclusive business’ in international development continue to reflect the perceived traditional trade-offs between the core interests of individual businesses and the wider interests of society. There seems to be little agreement as to whether ‘inclusive business’ relates to:

- a particular corporate initiative or programme rooted in a quasi-commercial philanthropy in favour of the global poor
- new ways of seeing a company’s core business activities through the lens of poverty reduction as an explicit goal of the company, or
- a new form of capitalism that is breaching the traditional boundaries between commercial and societal interest.

These tensions provide the current landscape for discussions and debates about the role of the private sector in international development both now and ahead.

“The reality is, businesses for the most part operate in a ‘non-altruistic space’ – they need to find something which is business critical, but which has knock on impacts which help others. They are seeking to identify something which is not only business critical, but is also sustainable and able to be part of the core business. This then is more sustainable than something done at the whim of a CEO. There is a need to find things to have a transformative effect and to be engaged.”
Private sector representative

“Inclusive business models are sustainable business solutions that expand access to goods, services and livelihood opportunities for low income communities. They involve doing business with a low-income population anywhere within a company’s value chain...”
Caroline Ashley,
independent consultant,
Ashley Insight Ltd¹³

Business and society: evolving terminology

There are many terms used to generally describe business practices built around social and environmental considerations. Consistent definitions are missing, much debated, and beyond the scope of this report, but they increasingly look to fundamentally change the way businesses deal with social and environmental issues. Below are some of the more recent ideas.

1970s and 1980s: The role of business in society evolved with the phrase ‘corporate social responsibility’ – emerging as a clear set of strategies and goals for business.

1987: The Brundtland Report defined ‘sustainable development’ as:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- *the concept of **needs**, in particular the essential needs of the world’s poor, to which overriding priority should be given; and*
- *the idea of **limitations** imposed by the state of technology and social organisation on the environment’s ability to meet present and future needs.”¹⁴*

1994: John Elkington coined the phrase ‘triple bottom line’. His argument was that companies should be preparing three different, and separate bottom lines to measure their financial, social and environmental performance over a period of time to take into account of the full cost involved in doing business.¹⁵

1995: The report, ‘Tomorrow’s Company’, from the UK RSA (Royal Society for the Encouragement of Arts, Manufactures and Commerce), argued that companies need to take an ‘inclusive approach’ to their activities and responsibilities.

1998: Professors C.K. Prahalad and Stuart L. Hart defined the phrase ‘bottom of the pyramid’ to refer to the billions of people living on less than \$2 per day. They argued that this market represented a new commercial opportunity for innovative companies which could both deliver profits and reduce poverty. The concept was further developed in their later books in 2004 and 2005 respectively.¹⁶

2000s: The term ‘corporate citizenship’ had been in use for some time, e.g. In 1993, Drucker stated that “[corporate] citizenship means active commitment. It means responsibility. It means making a difference in one’s community, one’s society, and one’s country.”¹⁷ In the 2000s, the term began to gain prominence, although still sometimes used interchangeably with CSR.

2008:

- Bill Gates popularised the term ‘creative capitalism’ at the World Economic Forum, which he defined as capitalism that works both to generate profits and solve the world’s inequities, using market forces to better address the needs of the poor.¹⁸
- Muhammad Yunus described ‘social business’ as business that makes profits but reinvests them in the business, whose primary purpose is to help the poor. Similarly, ‘social enterprise’ describes any non-profit, for-profit or hybrid corporate form that utilises market-based strategies to tackle a social and/or environmental need.¹⁹

The capability of the private sector to contribute to reducing global poverty is well documented.²⁰ For example, the United National Development Programme (UNDP), WBCSD, and in the UK, The Business Call to Action (BCtA) and the International Business Leaders Forum (IBLF). In addition there are also many foundations and academic institutions that have produced materials which seek to illustrate and harness the power of the private sector in meeting international development challenges.

The UN Global Compact (UNGC) seeks to frame the positive role that businesses can play through direct collaboration with the UNDP under the guidance of 10 principles that participating businesses sign up to work towards.

Initiatives by companies involved with the UNGC are driving progress towards the Millennium Development Goals (MDGs).²¹ There are many examples of companies taking the initiative in developing countries to improve social, environmental and economic conditions. Many of these initiatives demonstrate what can be done through cross-sector collaboration. Examples include:

- the collaboration between Unilever Indonesia and Oxfam designed to help both organisations learn about the role of big business in poverty reduction and challenge their respective preconceptions and biases (see page 24)
- the impact of the Marine Stewardship Council through the work of Unilever and the World Wildlife Fund (WWF)
- the ‘Banking on Change’ banking initiative bringing financial services and support to people across Asia, Africa and South America through the work of Barclays, CARE International and Plan International
- the work of PATH/GSK and the Gates Foundation on malarial vaccinations
- the work of Sky and WWF through their Sky Rainforest Rescue partnership which aims to save one billion trees in the Amazon, through a mix of campaigning, fundraising and by working directly with local communities in Brazil.

But what is changing, and changing dramatically, is how much civil society is expecting of companies in terms of their role in tackling global poverty.

While these expectations continue to rise, trust in the capability of business to look beyond its narrow self-interest continues to be low, especially in the light of the 2008 financial crisis and the global aftermath. Too many businesses continue to place short-term profits ahead of the wider considerations of their medium or long-term actions on their own sustainability or their impact on wider stakeholders and the environment. Some argue that the wider ecology of the global finance system forces companies into short-term profit-maximising approaches, but clearly this is not true for all businesses everywhere and at all times.

“It is the absence of broad-based business activity, not its presence, that condemns much of humanity to suffering. Indeed, what is utopian is the notion that poverty can be overcome without the active engagement of business.”
Kofi Annan, former secretary-general of the United Nations²²

“...the biggest development organisations in Africa are multinationals, Rio Tinto, BHP Biliton and Shell, in terms of what they spend on education, on housing and also indirectly on taxes, royalties and employment.”
Senior NGO interviewee

Trust in business was 54% in 2010, increasing to 56% globally in 2011, while trust in UK business went down from 49% to 44%.
Edelman Global Trust Barometer, 2011²³

Tom Levitt

Writer and consultant on third sector issues



Imagination, compassion and hard-headed business sense

In 2008, in South Africa, I witnessed a remarkable amalgam of imagination, compassion and hard-headed business sense.

A multinational food company had a problem: in its expensive new factory the life expectancy of new recruits was so low and the cost of retraining their successors so high that the plant's viability was under threat. There was pressure from some shareholders to pull out.

The company knew that the low life expectancy was not related to working conditions: AIDS, tuberculosis and other killers were endemic. The solution they found was revolutionary.

They identified key social issues such as poverty, poor nutrition and pre-school care. Knowing that it was not in their power to address these directly, they looked for someone who could. They identified local NGOs, worked out a strategy, helped to build their capacity to be working partners and invested in their work.

Within three years that investment paid off: falling worker mortality was reducing training costs significantly and enhancing profitability. Within the community nutrition-based women's co-operatives were thriving, young children were receiving better and more reliable care, the local economy was healthier and the prospects for the next generation were vastly improved.

Shareholders, workers, mothers, NGOs and the wider community were happy.

This approach was different: it was a readiness to think 'out of the box', to recognise what a corporate citizen cannot do within a community as well as what they can, to have the patience and tolerance to work with poorly organised prospective partners. Such qualities clearly represent a force for good; it does not take a genius to realise that the same approach can work in every community in every country.

At a time when public expectation of ethical business is high, the needs of communities everywhere are ever more evident and the capacity of the third sector is challenged, the company of tomorrow has not just an opportunity but an obligation to discharge its duties as a corporate citizen through partnerships and imagination.

The role of development NGOs

Development NGOs based in the developed economies are significant contributors to efforts to reduce global poverty. They do this through a combination of the direct financial transfers to their programs in poorer countries, by supporting and emphasising the capacity of local organisations to press for change, through their advocacy in all its forms, including campaigning, and through the global alliances and relationships with governments, companies and local communities.

Despite their important role, NGOs are given little exposure in the literature relating to the contribution of the private sector to global poverty reduction. However, literature relating to the role of NGOs and global poverty reduction is full of examples of a range of cross-sector partnership projects.²⁴

While many have attempted to define NGO advocacy, it has become accepted as the strategy used to effect change in those structures, policies and practices which NGOs believe have institutionalised poverty and global inequality. This advocacy may involve lobbying, campaigning and public education as well as building capacity in creating alliances designed to bring about desired changes in people's lives.²⁵

Historically, it is this advocacy role that has primarily framed the relationship between NGOs and the private sector. Advocacy can play an important role in holding companies to account, provoking shifts in corporate behaviour to the benefit of a range of stakeholders including the company itself.

But for many in the NGO sector, the negative actions of some companies only serve to reinforce the traditional notion that businesses are more part of the problem than part of the solution.

Unfortunately, it is this adversarial relationship that has largely framed the discourse between the NGO and private sectors and which has limited the capacity of the NGO sector to see the full potential that the private sector represents to the furthering of their goals. NGOs can be blind to good things that corporations are doing, especially if those good things are integral to normal operations and not a special project, initiative or partnership promoted as such by PR agents and marketing departments. However, NGO advocacy is developing, with much of it involving dialogue, cooperation and negotiation rather than confrontation. This 'insider' advocacy generally requires high levels of research, knowledge, experience and negotiating skills than the more adversarial approach being used in popular campaigning.

Some NGO campaigns have been the very catalyst for partnerships between the campaigning NGO and the targeted company or organisation. Engaging constructively and collaboratively with the private sector does not preclude NGOs from campaigning for change in the policies and practices of companies which are operating contrary to the best interests of the countries and societies in which they do business.²⁶

"We see that NGOs are gradually accepting that wealth creation and economic development is not something to be frowned upon, but instead is central to longer term sustainable development. However, despite the positive rhetoric, NGOs still face considerable barriers in terms of attitude, structure, capacity, incentive as well as confidence. While we see a great deal of positive words and sentiment, real action lags well behind the rhetoric."
James Crowley,
founder of the
Crowley Institute²⁷

While NGOs may typically reserve the right to be publicly and privately critical of individual companies, many new initiatives between companies and NGOs, typically in discrete project-by-project engagement and partnership, have been created. There are examples of NGOs acting as advisers to the private sector, providing research support, and in some cases co-branding development projects.²⁸ NGOs also act as brokers, connecting local people with companies, helping with supply chain problems and connecting micro-enterprises with access to credit. There are examples of some brokerage activities merging into joint-venture projects or collaborative lobbying (for example on climate change impacts).

Although more generally undertaken by Southern NGOs, in some cases Northern NGOs have established businesses and social enterprises, creating jobs and incomes for poor communities.

NGO advocacy brings corporate and community benefits²⁹

What happened?

Rio Tinto had a bad reputation among environmental groups for the ecological and community impacts of its operations. Then the company conducted a social and environmental impact assessment for a new mine in Madagascar, and has been publicly praised by environmental NGOs for becoming a leader in this area.

How did it happen?

1. Legislation protecting communities: when Australia introduced an act recognising indigenous land rights (mid-1990s), the CEO of the Australian part of Rio Tinto embraced, rather than challenged the ruling, motivating the company to work more closely with communities near its operations globally.
2. NGO campaigning: the company wanted to get rid of its bad public reputation in international campaigns.
3. Local resistance: violent and uncooperative communities around operations made the company realise it needed a 'social licence to operate' for long-term success, and for an edge in winning contracts from governments.
4. Changing industry norms: Rio Tinto saw their shift as part of wider industry change, so less risky than a solo-venture into corporate responsibility.
5. Partnerships with NGOs: partnerships with Earthwatch and Conservation International helped the company translate its intentions into outcomes and increased commitment with local communities.

“NGOs continue to believe that policy change has a greater multiplier effect than individual initiatives and there are occasions where individual collaboration can compromise NGO advocacy. There is still a broad belief that the majority of companies are insufficiently concerned about social issues and must be pressured to change. NGOs worry that even those companies willing to engage and do more may be simply offsetting negative impacts of their other activities. NGOs must be persuaded that business coalitions can be powerful agents for systemic change and, while collaborating with companies and business groups on solutions, they can (in appropriate circumstances) continue to reserve the right to put critical pressure on individual companies and business as a whole.”

John Sayer, director general, Oxfam Hong Kong

The role of governments

The project, as we originally envisaged it, did not encompass the role of governments and the multilateral institutions, we recognise the vital part they have to play both on their own account and also in creating the conditions for collaborative success.

At the time of writing, the UK secretary of state for International Development, Andrew Mitchell, has committed his department to promoting the role of the private sector in international development as central to strengthening the economies of developing countries. (*see opposite*)

Within their official development assistance programmes, governments have a vital role to play in helping international development problems to be addressed at the speed, scale and effectiveness that is required:

- by using their strong convening powers to bring together the private sector with the NGO and government sectors to identify and expand the common ground across those sectors
- through regulation or deregulation they can create the conditions through which the private sector can thrive in ways which causes markets to work more effectively for the poor
- they can also use their spending power to incentivise and reward particular sorts of organisational behaviour through grants, sharing of expertise and knowledge and possibly tax incentives.

The UK government, as an example, is rightly proud of what its Department for International Development (DFID) has achieved. But for every successful project and every impactful partnership there is the need for 20, or 200 or 20,000 more.

The central challenge for governments is the same as for each of the other two sectors which is to learn and adapt faster in order to be able to move many more successful projects to scale at the speed consistent with the size of the needs developing countries face.

Extract of speech to the London School of Economics and Political Science, 12 October 2010

Andrew Mitchell

Secretary of state for International Development³⁰

“It is my intention to recast DFID as a government department that understands the private sector, that has at its disposal the right tools to deliver and that is equipped to support a vibrant, resilient and growing business sector in the poorest countries. To do this we will need to add new types of people with different skills.

I want to preface my comments by recognising that it is the state that must guarantee access for all to basic services such as education and health care, that are vital for quality of life and that represent a safety net for the most vulnerable. And it is the state that must get the enabling environment right for investment and growth. But when it comes to wealth creation it is the private sector that must take the lead in creating jobs and opportunities.

And let me be clear about the lazy thinking that equates the private sector with some kind of ideological promotion of privatisation. We will support what works and we’ll be completely non-ideological about it.

That’s why at the UN Summit last month I joined ten other Development Ministers in endorsing a commitment to strengthen our work with the private sector. And in promising to create a new Private Sector Department within DFID I have sent, I hope, the clearest of signals that I believe business has a vital role to play.

This is the stuff of real change. There is already a genuine sense of excitement within DFID about what this new approach can achieve. I want this department to be the place that defines, lives and breathes the new DFID culture of private sector-led development, an example for other development bodies to follow.

Let me give you just a few examples of the sort of creativity that private sector companies in their core business have already shown.

In India, the health company, LifeSpring, plans to provide quality ante and post natal care for 82,000 women at some 30 to 50 per cent of the market rate through specialisation in maternal healthcare, optimal use of resources and cost-sharing of ambulances, laboratories and pharmacies. In doing this, it will also help to build capacity in the health system by employing more than four thousand doctors, nurses and outreach workers.

Then there is Unilever, which has equipped more than 25,000 women known as Shakti entrepreneurs in India and Bangladesh to sell products such as toothpaste or tea to people living in hard-to-reach areas – in turn, allowing them to afford healthcare for their families and schooling for their children.

And Thomson Reuters, which has developed a text-messaging service that provides up to a quarter of a million Indian farmers with access to information that will improve yields and increase incomes across the agricultural industry.

These businesses are prime examples of innovation in action and exactly the sort of thing the new private sector department will champion.”

Summary of report

'Exploring the Links Between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia'³¹

In what is regarded as a ground-breaking initiative, Oxfam and Unilever signed a Statement of Intent and a Memorandum of Understanding which brought them together on exploring the role of big business in poverty reduction. The project focused on Unilever's work in Indonesia and examined company activities across its entire value chain.

The process and mechanisms behind the final 2005 report were never intended to create new initiatives or projects directly but rather to provide a 'data rich study' of the work of a large multinational in one country. The work enabled both Oxfam and Unilever to "*challenge their own biases and assumptions*" and to reach beyond them. It created the conditions through which both Oxfam and Unilever could identify common ground and work together to build business opportunities in ways which integrate positive impacts on the lives and livelihoods of the poor.

The report outlines how to successfully navigate complexity of data and culture. It acknowledges that much of the valuable learning for everyone concerned took place in the dialogues and debates that underpinned the process of the research and the development of the final report.

This work continues to be an important benchmark in opening up the relationships between multinational corporations and international NGOs in seeking to understand how the private sector – through its value chain, relationships with suppliers and customers – governments and civil society can work to deepen their positive impact on the needs and circumstances of the poor.

The lessons that each organisation learned are covered in detail in the report and are worth reading in their entirety. Some of the most relevant lessons to the core of our 'inclusive development' arguments in this report include:

Oxfam learning:

- *"we have learned from Unilever that in many cases business decisions rarely amount to strictly profit based calculations. There are huge opportunities to engage with companies to explore how they might use their influence.... for the common good"*
- *"we have seen how decisions that are pro-business can also be pro-poor..."*
- *"we also learned how difficult it is to arrive at a specific definition of what constitutes 'fair practice'; by companies."*

Unilever learning:

- *"the primary lesson is the insight gained into the extent of the widespread 'job' multiplier in Unilever's total value chain... it will be useful to share these insights... with all those concerned with poverty reduction strategies"*
- *"a persistent focus on the position of the individual living in poverty is essential for development sustainable poverty reduction strategies... the Unilever team acknowledged its importance."*

"Both organisations have learned a tremendous amount in this process. The learning, however, would not have occurred without intensive and often difficult debate which contributed to constructive discussion and analysis. In the end both organisations have found common ground – considerably more than they expected to find. Despite very different world views they have built trust to enable them to work together..."
Exploring the Links Between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia

Perspectives from the research

“Building successful cross-sector collaboration comes down to challenging cherished and long held beliefs on all sides, we all have to change.”

senior private sector representative

“Companies may have a lousy climate footprint, but an excellent HIV policy for workers – they may be now taking the health and safety of workers seriously, but have the worst climate footprint. The issues can be very complex.”

senior private sector representative

“There is growing recognition that NGOs can't do development alone. They can have a bigger development impact and on the MDGs if they work with corporations.”

senior NGO representative

“The question needs to be asked of companies, is this ‘greenwash’ or genuine engagement? We need to ensure that companies are not closed to what may have an impact on the developing world. There is a need to be open and recognise different agendas, to look specifically at what needs to change.”

senior NGO representative

“Business activity creates incomes, jobs and taxes as well as providing goods and services that people need and want, more successful businesses means less poverty. Simple.”

senior private sector representative

“We get so bogged down in soft politics, in process, in endless meetings when we need to simply focus on impact, on what works for the poor and what doesn't.”

senior private sector representative

“The challenge of sustainability means that while we need to speed up global development we need to do it in a way that is ecologically sustainable in the long-term and that's a big challenge.”

senior private sector representative

“NGOs must be persuaded that business coalitions can be powerful agents for systemic change.”

senior private sector representative

“Companies need help to understand the impacts of their activities in developing countries so that they can use that understanding to do more of the right things and less of the wrong things.”

senior private sector representative

“Being in dialogue [with the private sector] doesn't mean that NGOs have to be silent.”

senior NGO representative

Part 3: Our findings

“We can see a massive – indeed potentially daunting – scope and volume of opportunities in terms of geography, industry, and domain, as well as a myriad of companies and NGOs to choose from. Organizations will need to be exceptionally focused and strategic to identify those opportunities that it makes sense to collaborate on, and avoid wasting time and effort on poorly constructed initiatives.”

James Crowley,
founder of the
Crowley Institute³²

“There is a new, emerging development paradigm that is responding to the related challenges of global poverty and sustainability. That paradigm sees new types of private sector investment from the North flowing to support a new breed of ‘green entrepreneur’ in South with social, financial and environmental returns focused on delivering impact. Governments also have an emerging role to play in supporting these new types of investment flows with risk guarantees.”

Herman Mulder, trustee of Tomorrow’s Company; member of Advisory Board TEEB (the Economics of Ecosystems & Biodiversity) and former senior executive vice president Group Risk Management of the ABN AMRO Bank

Our findings reveal a paradox.

On the one hand there is a strong sense of progress in cross-sector relationship building with many companies and NGOs creating new initiatives and platforms for engagement and project development. On the other hand, much of the debate and action surrounding the international development system, and the role of those in it, continues to be expressed in traditional terms and with fixed mindsets and behaviours. This has led to little progress at the level of system change or at the level of impact at scale.

Everything is changing and everything is staying the same

The public, private and voluntary sectors are all on the threshold of profound change reflected in an examination of their role, purpose, strategy and relationship. Some individual organisations are further ahead than others and some have yet to begin the journey.

But global events are catalysing the need for new thinking and new action across all sectors. Yet despite this, much of the current cross-sector activity in international development seems to involve one sector telling another sector what they should be doing differently to be more effective! This is particularly true of the public and NGO sectors which are exhorting the private sector to act differently. This *“shouting over the fence”* (as one workshop participant put it) can reinforce the divisions and differences between the sectors. And at a time when it is clear that the depth and complexity of the challenges ahead mean that to achieve its goals, each sector must work more cooperatively and collaboratively with the others.

Most of those consulted felt that governments and multilateral institutions have an essential role in creating the framework conditions that foster cross-sector relationships, connections and learning. They can provide essential resources and facilities that can underpin development programmes and impacts. An essential part of this is for governments to take a global poverty reduction perspective when developing their agendas and programmes.

We found that the scale and pace of change in the more traditional relationship between the NGO and private sectors was not as advanced as the range of partnership projects would suggest. And much of the debate during our research continued to reinforce the traditional view each sector has of the other.

The extensive literature on partnership activity between businesses and NGOs covers a range of possible models for engagement, setting out processes or enabling conditions through which these partnerships might develop. There are also different stages of maturity in cross-sector collaboration – through the stages of philanthropy, to transactional relationships and finally to transformational integrated collaborations where sectoral differences converge into new ways of delivering impact.

Significant investment is required in helping both sectors enter into relationships that will encourage, support and enable companies to maximise their contribution to reducing global poverty.

Development NGOs could get left behind

The NGO sector is generally ill-equipped to engage with the private sector. The culture gap across the two sectors remains wide. The danger for the NGO sector is that it will be left behind as the actions of the private sector continue to grow in policy, in practice and in impact.

Although there are exceptions, the NGO sector is struggling to influence and support business in its contribution to global poverty reduction. Indeed, NGOs seem generally unable to fully appreciate the nature and importance of their potential contribution in supporting companies to transform their impact on developing economies and societies. For example, few UK-based NGOs currently have fully formed policies on the role of business as a present or potential contributor to global human development and poverty reduction. The absence of such policies and subsequent strategies contributes to the clear difficulty that many NGOs had in articulating what they felt to be the characteristics of corporate policies and practices. Policies and practices which would, if implemented, maximise the private sector's contribution to global poverty reduction.

Too few NGOs have the internal capability to engage fully and confidently with major corporations, except in the more usual adversarial role. Despite the clear and positive benefits derived from NGO/private sector partnerships, NGOs are unable to scale-up these activities to a level consistent with the size of the need. Even if it were possible for every NGO to repeat successful partnerships with the private sector numerous times over across the globe, this would still have insufficient impact on global poverty and inequality.

Growing numbers of businesses are becoming open to the need to find more and better ways to have a positive impact on poverty. Without significant investment in building the capability of NGOs to work successfully with businesses at all levels, there is a danger that this growing number of progressive companies will bypass NGOs to the detriment of the potential contribution that NGOs can make to their work in developing economies. A 2010 study, which surveyed CEOs involved with the UNGC on the subject of sustainability, found overwhelmingly that CEOs felt that collaboration with civil society was critical. But it also found that only 12% identified NGOs as key stakeholders, a figure substantially down from a similar study in 2007.³³

In contrast, the NGOs' representatives from the major UK-based NGOs that were consulted agreed that the private sector was a vital and, indeed, a pivotal contributor to international development. And NGOs can play a valuable role in supporting companies to be more effective in doing business in ways that have a positive impact on the poor. Their knowledge of local conditions and local people is of value to companies seeking to establish supply chains, to create value chains and to develop and serve markets in those countries. But in our research, this support role in building the capacity of the private sector was too often dismissed – the prevalent view being that it “*simply wasn't their job*” to support the private sector in this way. Reconciling these varying perspectives is essential if the NGO sector is to have the maximum impact it can on reducing poverty through influencing private sector policies and practices.

“Trying to negotiate with big corporations can be frightening for NGOs. You almost need a broker – this is a bit like trying to plug an 8 volt cable into a 1000 volt power source. NGOs are not sure how to engage.”
NGO staff member

“Companies have a level of influence that NGOs just don't have – and a reach, and an efficiency, and a pace that NGOs struggle with. NGOs find it hard to keep up with this.”
NGO staff member

Companies want to engage

Many global companies want to be more effective in meeting wider international development challenges in the light of the ‘triple context’ and want help in understanding how to do this. Translating practical learning from pilot and small-scale initiatives to assist in scaling up and deepening impacts remains very difficult and is slowing down the pace and scale of change.

“If companies are encouraged and supported to ‘do more’, then globally things would be in better shape. To do more good, and less harm, is what should be encouraged by the NGOs.”

Private sector
workshop participant

Concepts such as ‘inclusive businesses’ and ‘inclusive business models’ remain unclear and elusive for some companies – especially in the context of moving beyond pro-poor operations and project-specific activities to integrating them into wider and deeper business strategies and emerging business models. The call for businesses to operate as ‘inclusive businesses’ is regarded by some as a *“stick to hit companies with”*, an end goal, a standard or a set of performance criteria that they must live up to.

However some companies regard ‘inclusive business’ as a spur to operational innovation and experimentation in engaging the poor in supply and value chains and on the impact of corporate policies and practices that could and should be ‘pro-poor’. Many who were calling for them to live up to the standard of ‘inclusive business’ have little knowledge or experience of the process of value creation. This limits their understanding of the challenges that confront companies in responding. Many of these issues were expressed in terms of differences of view about the desirability or otherwise of a thriving market economy. In the private sector the widely held view is that a vibrant market economy remains the primary route through which the incomes of those living in poverty could be lifted and livelihoods secured. From a private sector perspective, one of the approaches for ‘inclusive businesses’ is to find ever better ways for making markets work for the poor.

The private sector wants to understand how to be more effective in tackling poverty; how to employ its resources to make more of a difference and acknowledge that they need help to do so. There is, for example, much discussion among companies about the need to better understand the impacts from their business activities, but at the same time a recognition that they are not necessarily in the best position to analyse their impacts clearly or impartially. Some companies see a clear role for the NGO sector in assisting with these challenges, but felt that this and other opportunities for new forms of collaboration were struggling against an essentially campaigning culture.

“[on relationships with NGO sector] ...we need to focus on what unites us not what separates us, there is much to build on in that respect.”

Private sector
workshop participant

Companies also talked about the demotivating impact of not being credited with significant achievements while being publicly attacked for perceived mistakes or poor behaviours – even when they were trying change and are looking for help to do so. Companies are reluctant to *“put their head above the parapet”* and commit to publicly accountable standards of behaviour as they immediately find themselves on the radar of antagonistic NGOs with whom they had no relationship. This was especially true when companies recognise that not everything in their history or across the range of their activities and operations is perfect (or even satisfactory). They therefore risk exposing themselves to scrutiny on those issues rather than benefiting from engagement on the positive things they were trying to do. Many in the companies find this vexing especially given the very high trust that the public continues to place in NGOs; levels of trust which may also be inhibiting NGOs from supporting and engaging with companies.³⁴

In summary

Cross-sector partnerships are having a positive impact on people's lives and are making real differences in poor communities: there is much to celebrate, applaud and from which to learn.

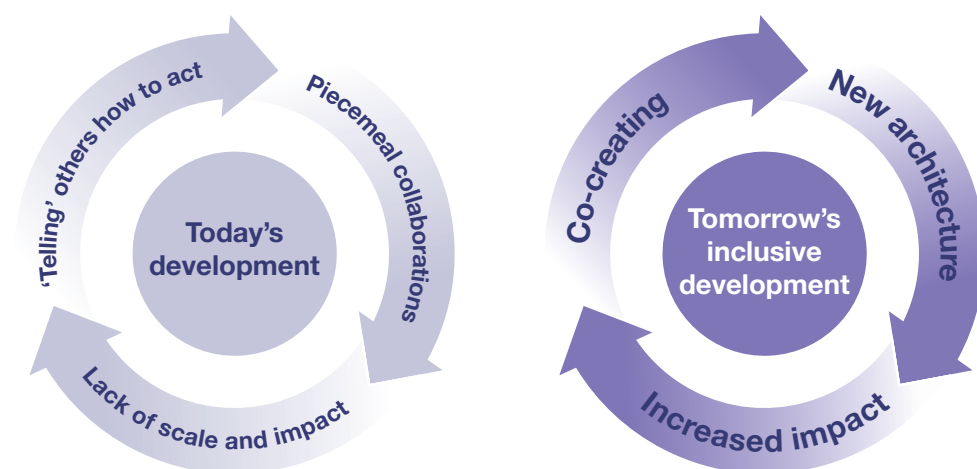
While we had hoped to find greater openness between the private sector and the NGO sector, what we found instead is that, apart from some remarkable and inspiring initiatives and projects and a willingness to enter into dialogue, the gap between the two sectors remains wide. This frames ongoing relationships in generally traditional and unhelpful ways.

It is of course impossible to generalise across the diversity of organisations inhabiting each of the sectors. Clearly some organisations are much more progressive and skilled and are much further along the journey towards building the capacity to co-create across sectoral divides than others.

In short, the scale and pace of current efforts fall short of what is required and what is possible and achievable.

A new dialogue and a new architecture for collaboration between companies, development NGOs, governments and multilateral institutions is required to collectively bring about the needed systemic change at the pace and scale demanded by the urgency of global poverty.

And a need to move from 'today's development' to 'tomorrow's inclusive development':



This involves moving, learning and adapting faster and working together to realise the potential of 'inclusive development' to transform the scale, speed and effectiveness of a collective response to global poverty.

"NGOs have trust and a supporter base. They can help to educate/inform/inspire to see that poverty reduction is made up of three players and there is a role for all three. Civil society should be challenging and encouraging the state and multinationals, to tell the story to supporters and others, with the overall aim of poverty reduction. Enterprise brings economic growth, civil society brings more relational things, the state brings infrastructure and physical things. You need all three players to generate change. Often NGOs miss the role of enterprises. To see societies change you need all players."
NGO staff member

Lord Michael Hastings

Global head of Citizenship and Diversity, KPMG



Delivering transformative change

The business sector has changed significantly over the last twenty years. Responsible businesses – now the majority – have shifted their priorities from just a focus on short-term profits and now actively consider the longer-term sustainability of their businesses and their relationship with the communities and environments they operate in.

In many cases too, this commitment is a global one and not just the immediate local place of operations. What a shift!!! There are examples of businesses delivering transformative change through investing in education and technology in local supply chains increasing production and growth and delivering new products which reach the needs of the poorest. When harnessed in the right way growth within the private sector has the ability to bring about transformative change to communities and countries through the creation of jobs, provision of income, introduction of new goods and services into markets and the resulting tax base which can be used by the government to plan and deliver their own social services.

However the private sector cannot act alone and should not act alone. To ensure that changes continue at the rate that is required it will require government's genuine leadership, committed to growth, transparency and accountability. Governments must create the right environment for investment and business growth and are responsible for ensuring that citizens benefit from that growth. International bodies such as G8 and G-20 comprising international governments must ensure that changes happen to international trade rules and the removal of trade barriers in order to ensure that markets can flourish.

NGOs also now need to shift beyond their traditional advocacy and recognise that with the right policies and practices, economic development can be the engine of growth and catalyst of change required to lift those out of poverty. Business at all levels can benefit from NGOs expertise, credibility, local knowledge and trust within countries and communities.

Aid can play a vital role but aid alone cannot transform the lives of the poor and therefore different actors must come together; NGOs, business, government, aid agencies, foundations to seek to make appropriate and profitable investments and businesses to diminish the necessity for aid and assist countries to grow their economies and develop. A generation of aid has still left billions still in hard poverty. Where enterprise has flourished – in the Eastern countries – build on a strong education base and a focus on savings and investment, jobs have been created by companies that produce and export and pay taxes. That's the difference between aid and investment. Both are necessary. Only one is sustainable. Only one will release the poor from dependency. That's the freedom I am keen to fight for.

Part 4: The way ahead

Despite the pressures of the status quo, more and more organisations recognise and acknowledge the scale and impact of the challenges all collectively face. There is an opportunity to move beyond the traditional terms of engagement across sectors to create the new and systemic architectures that can co-create responses that are consistent with the scale and complexity of these challenges.

As the world grows together, it is also growing apart...

There is significant divergence of opinion on how to promote and execute sustainable, inclusive and equitably distributed economic development across the globe and citizens are starting to demand action.³⁵ Many progressive businesses of all sizes, participating in the UN Global Compact, are increasingly clear on the unifying and urgent need to respond to the need for sustainability.³⁶

There is a profound sense, across all sectors, that they are at, or are approaching, points of significant change. They are being pulled towards a new future, the characteristics of which remain unclear and uncertain but which, especially in the context of poverty, inequality and sustainability, are impossible to ignore.

Global poverty and inequality share two interconnected characteristics. Firstly they pose huge social, economic and environmental risks to collective future success. Secondly they exhibit the characteristics of what have been called ‘wicked’ problems (messy, circular and aggressive).³⁷

The central role of the private sector in creating jobs, growth and income that are clear routes out of poverty is ever more widely acknowledged. Some global companies are ready and willing to step up and meet the development challenges and are already doing so with energy and resources.

Companies by their very nature are effective managers of risk. By virtue of their ability to build local relationships based on trust and passion, NGOs are skilled at tackling complex social, economic and environmental problems that are messy, interconnected and systemic. All organisations, whether public or private, are much better at dealing with what might be called ‘local’ or ‘direct’ risks associated directly with their operational activities, purposes and survival and less able at tackling ‘global’ risks such as global poverty and inequality. Those progressive companies which are already ‘expanding the space’ are demonstrating that they acknowledge the scale and seriousness that global risks present to their and everyone’s collective future. But the complexities and scale of these problems means that the solution, or range of solutions, does not lie solely with a single participant or single sector.

With the support of governments and the multilateral institutions, and by combining the expertise of companies and NGOs in managing risk, there is an increased likelihood that solutions will address the global nature of the risk of poverty and inequality – and at a level far beyond the reach of individual project partnerships.

“Two risks are especially significant given their high degrees of impact and interconnectedness. Economic disparity and global governance failures both influence the evolution of many other global risks and inhibit our capacity to respond effectively to them. In this way, the global risk context in 2011 is defined by a 21st century paradox: as the world grows together, it is also growing apart.”
Kristel Van der Elst,
director, head of Strategic Risk Foresight of the World Economic Forum³⁸

Gib Bulloch

Executive director, Accenture Development Partnerships

A new paradigm

The language and the landscape of development is changing. Terms such as Corporate Social Responsibility or Citizenship are being subtly replaced by the language of 'Inclusive Business' or 'Shared Value'. Tomorrow's Company talk of 'inclusive development' and my own organisation, Accenture Development Partnerships (ADP), points to the emergence of what we term the Convergence Economy. All allude to the fact that the poverty agenda, globalisation and sustainability are inextricably linked. If the underlying issues are complex and systemic in nature, then so must the response be.

Change is definitely underway in terms of attitudes and actions. But it is not currently at the pace, scale and level of ambition required to have the necessary impact on pressing global development challenges. We need to fundamentally challenge and redefine today's boundaries between the sectors and reconsider the notion of who does what when it comes to achieving development outcomes. *Competency* should matter more than *incumbency* – *outcome* more than *income*, the traditional barometer of success in charity appeals. We need a movement that embraces the capabilities and aligns the interests of all sectors and recognises that the multinational corporation is a critical de facto actor in the 21st century development landscape.

There are already signs that the private sector is starting to move, with some further ahead than others. NGOs cannot afford to be left behind by companies, they must be out in front shaping and influencing this agenda.

But transforming our response to the challenges of international development will require nothing short of a paradigm shift in priorities and approach across all sectors.

NGOs have a huge role to play and unique capabilities to offer; trusted brands, understanding of local needs and decades of experience of what does and doesn't work when it comes to development, to name but a few. But this expertise has to be able to influence the strategic trajectory of the core business; in R&D departments or in helping corporates develop the products, services and local sourcing strategies that are inclusive in nature and substantive in impact. The successful NGOs of tomorrow will have found ways of getting into the bloodstream of corporate partners as opposed to relying on somewhat cosmetic partnerships driven by notional funding targets.

'Inclusive development' will mean different things to different people. For me it will herald the emergence of more of a marketplace for development outcomes that is agnostic as to the nature of the intermediaries, their profit motive or tax status, but rewards those who can articulate a positive and sustainable impact on development outcomes.



‘Inclusive development’ – a systemic and holistic response

The complexity of global poverty and inequality demands a holistic and systemic response to be effective at the appropriate level of scale and urgency. The response needed is what we have called ‘inclusive development’.

The term ‘inclusive business’ has been coined to describe businesses that think and act in ways which are specifically pro-poor and pro-development. Our research and dialogues led us to the conclusion that many businesses are struggling to translate inclusivity in this context into their business plans and strategies. Nevertheless, the notion of ‘expanding the space’ around the concern and engagement of businesses with the needs of the poor was regarded as a helpful starting point and began to reshape thinking and drive new strategies.

But, as noted above, there is also a degree of frustration amongst the business community as being singled out as the sector that needed to change most fundamentally. In our research, many made the point that they needed help in making their contribution to global poverty reduction alongside governments, multilateral institutions and development NGOs.

There are examples of international NGOs and governments moving towards a point of profound change in their purpose, strategies and relationships in responding to the scale of the global challenges of international development and poverty reduction. It is not just (or even primarily) the private sector which needs to operate in a more ‘inclusive’ way. In the spirit and practice of ‘expanding the shared space’ each sector has the responsibility to operate more inclusively to meet these challenges.

We therefore believe that ‘inclusive business’ needs to be extended to embrace ‘inclusive development’ as an alternative way of thinking about the role of the individual sectors, and those within those sectors, in co-creating the conditions to facilitate progress on international development challenges at a faster and greater scale than is currently the case.

We define ‘inclusive development’ as the process through which businesses, their host and investor country governments and NGOs from those countries work collaboratively, transparently and accountably to support, encourage, facilitate, incentivise and effect sustainable economic and social development which contributes to the reduction of poverty and inequality. This is more fully described on the following pages.

The existence of three separate sectors, private, public and voluntary, each with its own cultural norms located in their own history, experience, objectives and firmly established worldviews is a significant barrier to moving forward. It is unhelpful for companies, NGOs, governments and multilateral institutions to retreat into themselves to design their own strategies and responses. Instead, all need to look outward and turn to each other in new and different ways.

Action to radically reduce global poverty also needs to be integrated with the wider challenge of achieving global sustainability. There is a dynamism in the sustainability agenda and this fresh innovative energy is of huge value to reducing poverty. Incorporating sustainability into NGOs’ policies and programming is an encouraging start, but the international development and sustainability communities must be part of the same conversation and all must be involved.

‘Inclusive development’: a working definition of the process and its characteristics

‘Inclusive development’ is an alternative way of thinking about the role of individual sectors and the actions of individual organisations in co-creating the conditions through which progress on international development challenges can move faster and at greater scale than is currently the case.

‘Inclusive development’ promotes the notion that tackling global inequality and global poverty requires business, governments, multilateral institutions and NGOs at all levels to all think and act differently in the way in which they seek to work together. In particular ‘inclusive development’:

- seeks to move on from the limitations of cross-sector partnering initiatives
- seeks to apply the learning from previous cross-sector partnering initiatives in ways which advance understanding about how to move the whole development system forward at greater speed and greater scale
- seeks to end the process by which each sector is much clearer about what the other sectors should be doing and promotes a deepening of their own understanding about how to help them do it
- accepts that all sectors need to change in order to reach toward a more integrated, co-created approach to the design of the development system
- creates a language, a structure and a set of mechanisms through which individual actors from each sector and at every level can begin to reframe their activities in working together to move the whole development system forward
- applies Tomorrow’s Company’s work on the future of the global company by recommending that each sector uses the framework created by that work, so that each sector, and each actor within each sector, at every level, begins to see their role in shifting the global development system through:
 - redefining success: re-examining the definition of success in an ‘inclusive development’ context, exploring the role that could and should be played in the co-creation of a new approach to the whole development system
 - embedding values: defining, re-defining and aligning against a clear and transparent set of values relevant to the development context
 - creating frameworks: defining roles in building the collaborative capacity to design and implement new frameworks that support the rise of ‘inclusive development’
- applies the concept created by Tomorrow’s Company in its work on the future of the global company of the idea of each sector and each organisation ‘expanding the space’ of their concern, their intention and action
- promotes the notion of the need to ‘expand the shared space’ whereby each sector and each actor seeks to understand how they can expand their understanding of the areas of mutual interest and concern that are shared across each sector

- sees global poverty and inequality through the lens of the Age of Sustainability which Tomorrow's Company argues is now upon us and which will define our collective activities across all sectors for the rest of this century
- therefore seeks to understand what a sustainable international development system looks like.

In embedding 'inclusive development', governments, multilateral institutions, international and local NGOs, international and local businesses will together create the conditions through which development activities:

- equitably and sustainably balance the interests of business and host countries and their societies
- recognise that the purpose of business is to provide ever better goods and services in a way that is profitable, ethical and respects the environment, individuals and the communities as stakeholders with a mutual interest in business and economic success
- encourage a vibrant, thriving and responsible private sector that contributes to the interests of the wider communities of host countries and, particularly in relation to the poorer and more vulnerable members of those countries by:
 - creating and providing increasingly secure and sustainable livelihoods on fair employment terms
 - supporting the provision of accessible and affordable social services including healthcare, education, water and sanitation
 - increasing the active participation, leadership and freedom from violence of women
 - supporting the active participation of all people in the development and operation of democratic institutions
 - promoting equality of opportunity that is blind to differences in ethnicity, gender or religious belief
 - protecting and assisting all people in humanitarian crises
- embody a commitment to human rights
- maximise the sustainability of ecosystem services and environmental support systems
- embody commitment to the letter and spirit of global and local regulatory frameworks, legal obligations and voluntary codes.

'Inclusive development' is therefore a new way of cross-sector thinking and acting together to create a new sustainable international development system that is practical and ethical and which seeks to transform the scale, speed and effectiveness of a collective response to global poverty and inequality.

An agenda for change

Expanding the shared space

Being more open to potential partnerships with other sectors is not enough on its own. To achieve the step change to 'inclusive development', all sectors and their constituent members need to build on the model of 'expanding the space', advocated by the leaders of the companies and NGOs who were involved in the Tomorrow's Global Company Inquiry.

To go further and to create a model for 'expanding the shared space':

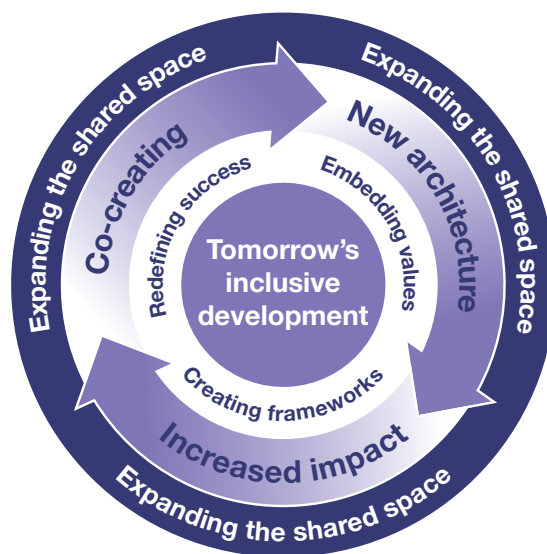
- **redefining success** – what does this look like for companies, NGOs and governments in terms of 'inclusive development'?
- **embedding values** – what are the shared values that will create the shared value that can be derived from 'inclusive development'?
- **creating frameworks** – through which 'inclusive development' is cultivated.

Finding common ground, and building on it together to develop new ways of thinking and acting, is the process element of the notion of 'inclusive development'.

'Expanding the shared space' means, for example:

- working outside the boundaries of one's own organisation and challenging the ideas of outsiders and insiders and breaking down the 'us-them' narratives that build walls out of prejudices and myths
- a new transparency and openness not just to numbers but to questions that are confronting organisations in their strategies, their policies and their ambitions. Today's world of rapidly advancing communications technologies and active consumer/citizens demands that all sectors embrace a new and confident transparency
- working together to find areas of a mutual interest in economic and social development which benefits both businesses and the societies within which they operate. This includes consideration about whether, and if so how, business should be incentivised to operate in ways which encourage economic and social development, particularly in developing countries
- helping organisations in other sectors to build their strategies, policies and plans not as an outsider but as a stakeholder and community member
- working with and within other organisations to specifically support them in building collaborative capacity, sharing what has been learned, including the questions to which there are yet no answers, and directly helping others to understand how to work effectively together

Expanding the shared space



- sitting on each other's boards and opening invitations to join strategy meetings to other sectors and reciprocating
- designing collaborative campaigns about the need to collaborate across sector
- investing jointly in co-creative processes that work
- finding a common language and design for cross-sector co-creative practice
- giving the younger members of organisations responsibility and authority to lead this process and co-create the new business models required.

A 'Tomorrow's Inclusive Development Faculty'

A goal of 'inclusive development' is to include every sector in its process through the deliberate and catalytic creation of a new collaborative architecture that has the capacity to co-create and resource new scalable impacts.

Tomorrow's Company wants to add its voice to others – including that of Accenture Development Partnerships – in calling for the emergence of a new cross-sector community that can co-create scalable, systemic and sustainable responses to poverty.³⁹ We need a diverse community that operates across sectors and is independent of sector origin but builds on the expertise, networks and experience of each sector.

One potential way forward Tomorrow's Company proposes to explore, with other interested parties, is the benefit of and how best to establish a **Tomorrow's Inclusive Development Faculty**. This would involve a range of stakeholders to discuss how best to design and implement the principles of 'inclusive development', through piloting and shared learning, to maximise sustainable outcomes and opportunities for scaling up.

This agenda will enable all concerned in every sector to be much clearer about what good practice looks like so that a new collaborative community can work together to embed inclusive approaches, practice and continue to refine 'inclusive development'. A commitment to co-creating a new 21st century collaborative architecture will see new types of organisation emerging from the platforms built in the 20th century and many of the old sector orthodoxies will dissolve into history. Some of this is already happening.

Some questions that each organisation from each sector can ask of themselves to help achieve this new approach are shown in the executive summary.

All of us need to learn and adapt faster and work together to realise the potential of 'inclusive development'.

Appendix

Methodology

Our original intention in undertaking this work was to explore the broad area of how best to encourage and support the private sector to fulfil its potential in reducing poverty.

To do this within limited resources we sought to learn from practitioners from all sectors but especially the private sector and NGO sector, from the literature and from insights that emerged from facilitated dialogues across sectoral divides. All background papers emerging from this work and contributing to this final report can be found at:

www.tomorrowsinclusivedevelopment.com

on

www.forceforgood.com.

Our research activities included:

- undertaking a review of the current literature on cross-sector working, especially in respect of what we had learned about encouraging and supporting the private sector to do more
- reviewing in detail the websites of 10 major UK-based NGOs for material that related to their views of and relationships with the private sector
- conducting 12 face to face interviews with NGO staff members in the UK asking questions relating to their views about the private sectors role in international development
- conducting a short online survey asking questions of the private sector about their relationships with NGOs in international development
- holding 3 workshops; one exclusively with private sector representatives, one exclusively with NGO sector representatives and a final one involving both sectors together. There was also some participation from representatives from the public sector at each of the workshops
- talking to and corresponding with a number of individual experts and researchers.

In total we have consulted 63 representatives from businesses, NGOs, government and academia covering 51 organisations.

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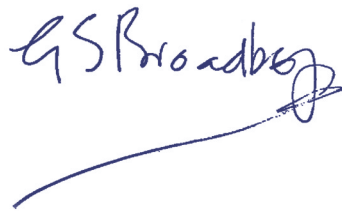
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A handwritten signature in blue ink that reads "G S Broadbelt". The signature is written in a cursive style and is positioned above a long, horizontal blue line that extends to the left.

Grahame Broadbelt
Director of development, Tomorrow's Company

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| Jeremy Hobbs | Sara Wolcott |
| Claire Innes | Charlotte Wolff |
| Louise James | Noor Yafai |
| Lord Joel Joffe | Amanda Young |
| Tracey Keatman | |

...and the following organisations:

| | |
|------------------------------------|--|
| Accenture | International Council on Mining and Metals |
| Accenture Development Partnerships | KPMG |
| Actis | Merlin |
| ArcelorMittal | MicroLoan Foundation |
| AstraZeneca | Oxfam GB |
| BAE Systems | Oxfam Hong Kong |
| Barclays | Oxfam International |
| BBC World Service Trust | Plan International |
| Body Shop | Plan UK |
| BPDWS | Practical Action |
| BSkyB | Save the Children |
| BT | Shell |
| CAFOD | Shell Foundation |
| CARE International | Standard Chartered |
| Christian Aid | Tata Consultancy Services |
| Coca-Cola | Tearfund |
| DFID | Telos Partners |
| FARM-Africa | Three Hands |
| Fishburn Hedges | Timberland |
| Gemin-i | The University of New England |
| Herbert Smith LLP | Visa Europe |
| Hogan Lovells | VSO |
| ICSA | WaterAid |
| Impact International | World Vision International |
| Institute of Development Studies | |

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Tomorrow's Company is the agenda setting 'think and do' tank which looks at the role of business and how to achieve enduring business success. We focus on strong relationships, clear purpose and values as the foundation of effective leadership and governance.

In our programmes we challenge business leaders around the world to work in dialogue with others to tackle the toughest issues. We promote systemic solutions, working across boundaries between business, investors, government and society.

We believe that business can and must be a 'force for good'. This in turn requires a strengthening of stewardship by shareholders in partnership with boards of companies.

We argue that the Age of Sustainability has begun, and that in the future success and value creation will come from recognising the 'triple context' – the links between the economic, social and environmental sub-systems on which we all depend, and the opportunities this brings.

www.tomorrowcompany.com

and

www.forceforgood.com

Publications

Tomorrow's Company has published numerous influential reports that have informed and continue to help shape the actions of companies and governments in the UK and beyond.

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Family Business Stewardship. Joint publication with the Institute for Family Business (2011)

Tomorrow's Corporate Reporting: A critical system at risk (2011)

Tomorrow's Corporate Governance: The Case For The 'Board Mandate' and The 'Board Mandate' Toolkit (2010)

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RSA Inquiry Tomorrow's Company: the role of business in a changing world (1995)

Joint publications with The Institute of Chartered Accountants in England and Wales:

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Tomorrow's Company

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