

Does BoP business approach fit in the Japanese framework?: Japanese private businesses searching for new markets while contributing to the reduction of poverty



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“These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power...that build from the bottom-up and not from the top-down, that put their faith once more in the forgotten man at the bottom of the economic pyramid”.

Franklin D. Roosevelt, during his bid for the Democratic nomination for U.S. President, on 7th April, 1932.

“The real source of market promise is not the wealthy few in the developing world, or even the emerging middle-income consumers: It is the billions of aspiring poor who are joining the market economy for the first time”.

C.K. Prahalad and Stuart Hart’s 2002 article “The Fortune at the Bottom of the Pyramid (BoP).”

Abstract

As a result of Japan’s shrinking population and the economic crisis affecting major advanced countries, Japanese private sector should consider strategies for diversification of investments by expanding into markets in developing countries. In fact, BoP¹ earners (as low-income earners in developing countries are known) are increasingly becoming subject of attention by Japanese government and corporations. Now is time for Japanese private sector to strength partnership with the public sector and target the world’s 4 billion people living in poverty as consumers, employees and producers; in order to design and implement successful BoP business projects. In this context, Japanese Official Development Assistance (ODA) is functioning as a catalyst to attract and mobilize private funds from Japanese companies to developing countries. And, in close cooperation with United Nations Development Program (UNDP), Japanese government is

conducting studies concerning the implementation of BoP business projects as part of ODA activities, under similar schemes as USAID and UNDP models. Remarkable examples of Japanese companies that successfully integrated the poor into their business models are, for instance, *Sumitomo Chemicals* that, in joint venture with A to Z Textile Mills of Tanzania, is the sole African producer of long lasting insecticide bed nets that help in fighting malaria and provide work to more than 3000 women; and, Japanese company *Key Coffee* that trains and provides reliable source of income for Indonesian farmers by sourcing quality Arabica coffee beans from them at fair prices. These examples show how it is possible both to be profitable and to improve the lives of the poor and communities².

While contributing to an improvement in the living standards of the poor in developing countries, the major difference between BoP businesses and CSRs activities or ODA projects is that BoP businesses models aim to reach sustainability of their business operations, as a for-profit business. In this regard, we would like to address several questions concerning BoP business concept and the design and implementation of projects. First, why a public-private partnership is important under a BoP scheme and if it is suitable within the Japanese framework? And, second, in which ways Japan ODA's bodies can serve as an effective tool to attract and mobilize the private sector and motivate other actors such as NGOs, NPOs and practitioner to participate? By answering these questions we aim to acknowledge advances and suggest considerations for the improvement of BoP projects.

Key words: BoP business models, public-private partnership, corporative management, poverty reduction

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Introduction

“Foreign Aid Isn’t” was the title of an article that in 1982 Peter Bauer coauthored. Later on, in 2006, William Easterly, following the same idea, argued that foreign aid is not sufficient to raise living standards in developing countries because many countries have remained mired in poverty despite receiving substantial foreign aid³.

The relation between aid and economic growth has been widely discussed in research and policy circles. This discussion influenced development perspectives and the directions of both funding agencies and recipient countries. At international level, conferences such as the Millennium Declaration (MDG Goals) in 2000, as well as the Monterrey Consensus in 2002 called for more support to ODA and to enhance aid effectiveness. As the ODA’s measurement results suggested new directions needed to be adopted by funding agencies in order to improve the ways ODA was targeting the poor⁴. There was an enormous interest in finding new paths on how ODA can improve the delivery of aid to the poor. In this regard, the idea to include the private sector in this framework was raised. And, the possibility that the private sector include the poor at the bottom of the pyramid as consumers or as part of the value chain was an appealing idea brought by C.K. Prahalad.

In 2002, Japan’s ODA budget was USD 9.3 billion dollar, making it the world’s second largest donor. However, due to economic pressures for reducing the size of its ODA, Japan was unable to commit for increasing the level of aid at Monterrey Consensus. Japan revised its ODA charter in 2003, in order to incorporate new strategies more in tune with current international and domestic realities. And, by 2008, two major public organizations for implementation of ODA, JICA (Japan International Cooperation Agency) and JBIC (the Japan Bank for International Cooperation), were merged into one agency, which initialized a new stage in Japanese management of ODA. Finally, 2009 can be considered the outset of BoP business in Japan since the Ministry of Economic, Trade and Industry (METI)⁵ invited tenders to conduct studies in developing countries in order to develop BoP related business. Following by other agencies such as JETRO and JICA in the implementation for BoP projects, and UNDP collaboration, the idea of BoP business has influenced the decision of several CEOs to venturing in the markets of the developing countries. The media and private enterprises looked at this new way of making business with curiosity, due to the consequences of Lehman crisis, that motivate Japanese companies to search for new markets beyond the OECD countries (See Annex 1 and 2).

I. BoP businesses approach as a tool for corporate strategy and poverty reduction

BoP business approach (also referred as inclusive business) promotes the inclusion of the poor as consumers, suppliers (of goods and services within the value chain), distributors and income earners. Research on inclusive business argues that generating employment and income opportunities for the low-income segment at the base of the pyramid can be an important and sustainable driver of poverty reduction (Prahalad and Hart 2002; Prahalad and Hammond 2002; London 2007; UNDP Report MDG: Everyone's business 2010). Initial studies on BoP business took an income-based definition, thus targeting approximately four billion people with a daily income of \$1 - \$2. Further studies on poverty reduction stress the fact that poverty is a complex multidimensional phenomenon that cannot be adequately defined only by income-based measure (London, 2007) and it was proposed the adoption of inclusive business definition by stressing innovation and response to the local needs of the poor.

I.1 Background of BoP approach

Initial studies concerning BoP approach assumed that the combine pursuit of corporate profit and poverty eradication is possible because there is latent collective purchasing power of low-income population that private corporations are able to mobilize by turning them into consumers, suppliers, distributors or income earners. Prahalad explained that this is possible to be done by creating affordable, accessible and available products or services. For instance, single-serving packaging for basic consumption goods, such as laundry soap and tea (to increase affordability); observing late opening hours (to facilitate accessibility) and to set up franchise style rural distribution channels, like shampoos and body lotions (to increase availability and choice in remote areas). Indeed, the possibility of including the private sector in development by implementing BoP businesses has been a very appealing idea. However, initial approaches seemed rather optimistic and were subject of several criticisms by both business and development circles.

Critics of BoP approaches highlight the difficulties for companies to achieve profits only by selling to the poor. Empirical evidences that justify how corporations can be sustainable and make a fortune by venturing in high-risk environments like in a BoP environment are very little, since there is a low margin of earning on each small BoP transaction due to high transaction costs, lack of infrastructure and weak institutions (Landrum 2007; Sprague 2008). From the poverty alleviation perspective, the main consideration was that corporations would successfully manage to raise people's living standards by selling to the BoP (Jenkins 2005; Karnani 2007).

Even though, critics emphasized practical difficulties on implementing BoP projects in developing countries that will generate profits and alleviate poverty; there was a strong interest of private sector, ODA funding administration, international organizations, and in general, from the international community to deepen more into this issue and create solid projects that conduct to successful implementation of BoP projects.

I.2 Current application of BoP models

New approaches on BoP models shifted from the traditional linear innovation approach (that looked at the market from the top-down) towards approaches that require active engagement with the poor. In this regard, innovation is understood under a new BoP model scheme as a societal-constructed learning and capacity-building processes, driven by local needs (concept currently applied under USAID, UNDP and JICA schemes). Besides, innovation is also intrinsically related with the particular social and economical structure of the targeted community. Therefore, BoP communities should be understood by using the concept of subsistence market⁶, which is characterized by unique traditions, dynamics, specific needs and where even commercial exchanges might have their own informal rules. In this context, subsistence market should be understood from the bottom-up in order to create innovative solutions that satisfy local needs.

In addition, implementation of BoP projects must also take into account power relationships and hierarchies within the BoP community, as well as the relationship between BoP communities and outsiders who administer development interventions. As we already mentioned, BoP markets are high-risk environments with lack of infrastructure and weak institutions. As a response to this difficult environment; informality⁷ or extra-legal economy has been developed in most of the BoP communities. The concept of weak institutions is understood as an economy where there are weak contract enforcement system, weak property rights system, corruption, weak judicial system and shortages of economic and policy information. In this scenario, informal economic actors are hidden from the mainstream economic environment creating their own rules for commercial exchange and contract enforcement. Moreover, even the existing private sector in their countries neglects BoP communities due to the belief that there is not profit to be made by serving this segment of the population. As a consequence, this segment is mainly served by the informal sector.

Several studies pointed out that the informal sector languish as dead capital and people could be empower by “formally” using their existing assets to benefit themselves and their communities

(De Soto, 2000). So, the question here is how BoP business or inclusive business projects should be designed to activate the dead capital in order to achieve poverty reduction and generate profit for the corporations involved? The answer is not simple. Due to the aforementioned constraints, companies that intend to expand their overseas businesses into BoP markets should have a vision that extends beyond a bottom line corporate management. In fact, we believe that if the motivation is to gain profit in the short term, probably BoP business will not meet this interest. Instead, companies must hold some sort of missionary vocation and should understand the pre-existing market place dynamic in order to find innovative ways and create a place where they can fit.

In this regard, international organizations such as WBCSD (World Business Council for Sustainable Development) and UNDP have suggested that the world problems should be addressed innovatively, efficiently and in partnership with the BoP community in order to empower them. As the basis of business approaches are highlighted, this framework is also called inclusive business.

I.3 The Japanese experience

Since the MDGs were announced in 2000, the trend for corporations in US and EU was to enter into the BoP market. In Japan, corporations have just started to show serious interest since 2009, which was called “First Year of BoP Business”. In this regard, there is a feeling that Japanese companies got a late start in BoP business compared with Western companies. However, well before the BoP business concept was conceived, a Japanese company, Yakult Honsha Co., Ltd, managed to enter into a BoP market and develop inclusive business. By analyzing the international business trajectory of Yakult Honsha Co. Ltd., it has been said that the Japanese corporate philosophy, in general, has a strong affinity with the framework of BoP business or inclusive business (Sugawara, 2010). Sugawara pointed out five strengths that made possible for this company to secure the poor as a market and, at the same time, to have a social contribution through core business: a) Steadfast founding philosophy and principles; b) a strong sense of mission; c) a long-term perspective; d) a Gemba oriented stance (workplace or actual location); and, e) outstanding, scientifically backed products. These strengths are not particular of this company but it is rather the style of Japanese companies for doing business (see annex 3).

Since 2009, Japanese government, through METI, JICA and JETRO, is researching possibilities for Japanese private sector to enter BoP markets and is trying to identify how to combine ODA programs and BoP business projects. As conferences about BoP business held in Japan show,

Japanese companies are highly interested to venture into BoP market. Previous experiences of Japanese companies that entered BoP market should be tracked back. We would like to emphasize two cases: a) The Japanese corporation Fastening Products Group or YKK Corporation that has global operations in Brazil, Argentina, Bangladesh and Indonesia. Mr. Sarumaru (the Executive Vice President) explained, during the 2009 MOFA/FASID International Symposium organized in Tokyo, that YKK has divided its business activities among local operations in order to achieve more efficient business management. Each region has its own headquarter and business strategies are applied according to the local context. In fact, localization was pursued during the first stage of internationalization, following by the period of regional or bloc management in which regionalization of YKK business was promoted. They divided their global operations between two sectors: consuming countries and manufacturing countries in order to organize the management and division of their businesses. Concerning the way they were actually implementing their operations in developing countries, they pointed out as an example the case of Bangladesh. The executive director mentioned that, even though the manufacturing operations have been sustainable and the labor cost is low, Bangladesh as a country is a high-risk for investment. YKK is not directly involved in ODA resources, but ODA is having some indirect positive impact on its business.

Not only big corporations, but also Japanese small and medium enterprises are trying to venturing into the BoP market. An emblematic case is Japan Poly-Glu which is a small- medium sized company in Osaka, whose strength is in purification technology. With Nippon Poly-Glu's technology, it costs only one dollar to clean one ton of water. In Bangladesh, over the past five years Nippon Poly-Glu has been involved in water purification projects. Annual sales have yet to achieve the 10 million yen threshold, but the technology is now benefitting 40-50,000 people. Nippon Poly-Glu is engaged in a 100-yen per household business. One hundred yen may not be a lot in the Japanese market, but in other countries, 100 yen can be well above the daily allowance for the entire family, so one yen can make a big difference. The problems that the company encountered initially included finding homes that could afford one-yen for 10 liters of clean water and the lack of education in using clean water. This company has already spread its business of selling water purification products in Thailand, Mexico, and many developing countries, with help from NGOs. During the 2009 MOFA/FASID International Symposium organized in Tokyo, Mr. Oda (Chairman and CEO) emphasized that people in BoP market "are not excessively aspiring and they are happy as long as they can live every day". By selling water purification technology the company needed to educate people "but once someone starts cleaning water; they begin to want

to use cleaner water everywhere". So, it is likely that the Bangladeshi consumption of cleaner water may dramatically increase and the local situation might improve by creating employment and improving hygiene. These examples are not the only cases, neither the biggest one, but they are remarkable example of Japanese companies implementing BoP projects in developing countries.

Japanese private sector has shown interest in venturing in BoP markets and there are several cases concerning Africa and South East Asia, but fewer projects are focusing in Latin America. While the geographical proximity of Asia and the high number of population might been the reason for Japan to expand mainly in Asia and in Africa; we believe that Latin America has also high potential for BoP businesses projects to be developed by Japanese companies, as the Report on dead capital in Latin America shows (for further reference on dead capital in Latin America see Annex 4). In fact, Latin America is rich in natural resources that require technology and innovation for their sustainable exploitation. Besides, Latin American countries', as well as Japan, have the urgent necessity to diversify their market since traditional investors from EU and US are currently facing economic recession.

While acknowledging contributions of Japanese private sector in BoP projects, we would to discuss one of Japanese weakness that is the formation of public-private partnership. Research on implementation of BoP business agreed that partnership between public and private sector is extremely important for BoP businesses, especially for SME companies due to BoP markets are very complex economic and social environments, thus public-sector support knowledge is essential.

II. Importance of public and private partnership for BoP businesses

For BoP business, partnership is the keyword as numerous researches emphasized (London 2002; Prahalad and Hammon, 2002). Partnership between the public and private sector is extremely important since close cooperation among key policy makers and businesses might contribute to the achievement of effective economic development. It also represents a new strategic arena for a variety of players, including governments, corporations, international organizations, aid agencies, NPOs, NGO and practitioners in order to generate new opportunity through mutually benefits.

Under the win-win-win scheme, JICA, JETRO and METI are trying to build strong partnership with

the private sector by supporting improvement of the business environment in developing countries. Therefore, positive outcomes will result for developing countries, private enterprises and ODA. In this regard, there is a strong need for ODA to play as catalyst to attract and mobilize more private funds through developing business environment, sharing risks of development project and capacity building of developing countries. All the agencies related with ODA, such as JICA, have knowledge of development and international cooperation that will be useful in this scheme.

Even though Japan has expressed its intention to strengthen public-private partnership through multiple documents and conference, this is still a weakness. Traditionally, private and public sectors are characterized by their autonomy and limited collaboration. In the Japanese public policy system, the procurement of services and products from the private sector in partnership with the government has always existed and is enabled by the legal framework (such as the Act on Promotion of Private Finance Initiatives Law). However, in practice, initiatives in facilitated private sector involvement are limited and public sector seems to be very strict in that sense. In fact, public-private partnership is a concept which involves the public and private sectors working in co-operation and partnership to provide (public) goods and services. This concept originated in the UK, and was followed by other western countries, making it an established mean for providing public services across the world. However, Japan public policy structure is not friendly towards partnership, and in this framework, foreign aid administration or ODA is probably the sector where partnership had developed more. Under partnership schemes in ODA, NGOs have also been encouraged to participate. In 2002, JICA Partnership Program (JPP) commenced and the aim was that NGOs support and cooperate with the implementation of projects. Japanese universities were also encouraged to utilize their accumulated knowledge and experience for assisting activities in developing countries. On the other hand, there are not many cases in Japan in which companies work together with NGOs as partners in business, and some existing cases are related mainly for CSRs initiatives.

We believe that “All-Japan” approach, which means an effective collaboration between public sector, private businesses as well as NGOs, will result in a better exchange of information and an effective tool to create adequate innovation in a framework of BoP business projects, but it will be also useful to Japan to strengthen its inner role as a leader nation in the international community.

Conclusion

Now is time for Japanese private sector to strength partnership with the public sector and target the world's 4 billion people living in poverty as consumers, employees and producers; in order to design and implement successful BoP business projects. Under this scheme, Japanese ODA should function as a catalyst to attract and mobilize private funds from Japanese companies to developing countries. As we mentioned, one of the shortcoming of aid administration was the failure in targeting the poor. But, private corporations are in better position to mobilize BoP consumers by turning them into consumers, suppliers, distributors or income earners. For this reason, partnership should be strengthening in order to conduct effective design and implementation projects in BoP business.

Another important point is concerning the creation of innovation and the response of local needs of the BoP community. As innovation is intrinsically related with the particular social and economical structure of the targeted community, BoP communities should be understood from the bottom-up in terms of traditions, dynamics and particular social schemes. Besides, power relation, weak institutions and informality should also be understood before venturing in a BoP market. For this reason, companies might find it difficult to do it alone and the support of the international cooperation agency is important. So, it will be possible to designed projects that activate the dead capital and reach poverty reduction. However, Japanese companies are in a better position than ODA to mobilize the dead capital; in this regard, BoP business schemes are in tune with their corporate philosophy as previous projects have shown.

Finally, we would like to take into consideration an idea that came to us by assisting to some conference on BoP business projects in Tokyo⁸: "BoP markets are economically active". Assumptions that ODA and developed countries are givers and the poor are passively waiting for help should be erased. Instead, approaches should be tackling BoP markets from the bottom-up in order to activate the dead capital that subsists under the informality. In order to do this BoP approaches suggest the inclusion of them into the value chain. In this conference was emphasized that Japanese inclusive business projects have been outstanding so far.

Notes

1 BoP means “Bottom of the pyramid” or “Base of the pyramid” is a terminology used to indicate businesses that target low income population in developing countries. Recently, WBCSD (World Business Council for Sustainable Development) has advocated terminological change of this term to inclusive business. In this essay, we are going to refer to both terminologies.

2 These examples were highlighted by the UNDP Administrator, Helen Clark during the MDG Conference “The MDG and Business: Potentials of the Private Sector for Achievement of the MDGs” held in Tokyo on 3rd June, 2011.

3 Foreign Aid Isn't?: A book review by Prakash Loungani on “The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good” authored by William Easterly. Prakash Loungani was Chief, Policy Communications, External Relations, Department International Monetary Fund, 2006. <http://www.imf.org/external/np/vc/2006/083106.htm>

4 **MDG** (Millennium Development Goals): In 2000, 189 nations made a promise to free people from extreme poverty and multiple deprivations. This pledge became the eight Millennium Development Goals to be achieved by 2015. <http://www.beta.undp.org/undp/en/home/mdgoverview.html>

Monterrey Consensus on Financing of the International Conference for Developing. Agreements and Commitments adopted in Monterrey, Mexico, 18-22 March 2002.

<http://www.un.org/esa/ffd/monterrey/MonterreyConsensus.pdf>

5 The METI had been researching BoP related business in the contexts of Public-Private Partnerships, for a few years, and in September 2009, 10 companies were selected to conduct feasibility studies. This scheme is similar to the USAID or UNDP model.

6 Subsistence marketplace is integrated by the billions of individuals living in substandard housing, with limited or no education; having limited or no access to sanitation, potable water, and health care; and earning minimal incomes. Subsistence consumers and entrepreneurs have been largely ignored by contemporary marketing and management research and practice, but are poised to become a driving economic force and business development. It is expected that subsistence consumers will be much more active in the marketplace in the near future, because of expanded access to products and information through the Internet and wireless technologies (Davis & Stephenson, 2006). Moreover, the combined purchasing power of these consumers, already in the trillions of dollars, is likely to grow at higher rates than that of consumers in industrialized economies (Viswanathan and Rosa, 2007).

7 The informal sector is made up of entrepreneurs who produce legitimate goods and services without proper permits and legal status because they are locked out of the formal-legal economy by a maze of regulations, excessive procedures, high tax rates, and other barriers to market entry. Both the entrepreneurs and their employees lack protection of the law, access to formal sector services such as credit, and are prey to corrupt officials (De Soto, 2000).

8 MDG Conference “The MDG and Business: Potentials of the Private Sector for Achievement of the MDGs” held in Tokyo on 3rd June, 2011.

Annex 1

JICA's initiatives in promoting BoP business among Japanese companies

JICA's initiatives aim to promote inclusive business development among Japanese companies in developing countries and simultaneously foster sustainable development. In this regard, JICA select project proposals through a public bidding that intend to contribute towards poverty alleviation and empowerment of local communities in developing countries. Maximum project funding available is limited to 50 million yen within 3 years.

JICA Preparatory Survey for BoP business promotion - List of projects announced on August 6, 2010

	Country	Proposed by	Cooperative company	Project title
1	Indonesia	NTT Communication Corporation		Preparatory survey on BoP Business on hybrid education business
2	Indonesia	Sumitomo Metal Industries Ltd.	Sumitomo Forestry Co. Ltd.	Preparatory survey on BoP business on slag fertilizer in peat bog areas
3	Cambodia	ARUN, LLC		Preparatory survey on social investment for the development of BoP business
4	Vietnam	EARTHNOTE Co. Ltd.	Daiwa Institute of Research Ltd	Preparatory survey on BoP business on the production of bio ethanol
5	Bangladesh	Institute for Skywater Harvesting Co. Ltd.	PADECO Co. Ltd.	Preparatory survey on BoP business on rainwater tanks with microcredit system
6	Bangladesh	PEAR Carbon Offset Initiative Ltd.	Energy&Environment Institute INC. Alcedo Corporation	Preparatory survey on CDM business by introduction of energy micro utility system in rural areas
7	India	SHIKOKU CHEMICALS CORPORATION	Waseda University	Preparatory survey on BoP business on safe water supply and establishment of its supply chain for poverty reduction
8	India	ITOCHU Corporation		Preparatory survey on BoP business on water purification for poverty reduction

	Country	Proposed by	Cooperative company	Project title
9	India	Kokuyo S&T Co. Ltd.	Change Co. Ltd.	Preparatory survey on commercialization of stationeries for the profit generation of BoP
10	Sri Lanka	Toyota Tsusho Corporation		Preparatory survey on BoP business on water supply in non-supply areas
11	Kenya	SANYO Electric Co. Ltd.		Preparatory survey on BoP business on solar lantern
12	Kenya	Sumitomo Chemicals Co. Ltd.		Preparatory survey on BoP business on long-lasting insecticidal net for the poor
13	Tanzania	Japan Jatropha Inc.		Preparatory survey on BoP business on Jatropha production
14	Tanzania	NICHIEI International Incorporated	Pantel International Co. Ltd.	Preparatory survey on BoP business on production of solid fuel for households and SMEs
15	Rwanda	Organic Solutions Japan Ltd.		Preparatory survey on BoP business on microbial material for agriculture and public health
16	Mozambique	Japan Resources Energy Development	Association of African Economy and Development JAPAN ECA Committee - Construction Engineering Consultants Co. Ltd. - Ishi Iron Works Co. Ltd.	Preparatory survey on BoP business on energy conversion
17	Ghana	Sony Computer Science Laboratories Inc	Sony Corporation	Preparatory survey on BoP business on off-grid energy solutions in unelectrified area
18	Ghana	Ajinomoto Co. Inc.		Preparatory survey on BoP business on nutrient enriched food during weaning period
19	Ghana	Community Road Empowerment (CORE)	PADECO Co. Ltd. International Associates Ltd.	Preparatory survey on BoP business on road maintenance in rural villages by using DONOU (sandbags)
20	Senegal	Yamaha Motor Co. Ltd.	System Science Consultants Inc	Preparatory survey on BoP business on village water supply with clean water system in West Africa

Annex 2

JETRO's initiatives in promoting BoP business among Japanese companies

- JETRO has conducted Pilot Demonstration Project for Development and Import Schemes since fiscal year 2007.
- Under this scheme, JETRO supports the development, improvement and import plans from Japanese companies or organizations that intend to import and sell products from developing countries.
- The financial assistance is limited at 500 000 (five hundred thousand) yen and it can include the financial support for business trip, development and improvement of products and import of samples.

A. Pilot Demonstration Project for Development and Import Schemes 2010

	Name of the Corporation	Target country	Products
1	Vox Trading Co. Ltd.	Egypt	Herbs (mint, basil, parsley)
2	Essence/ Lepis Co. Ltd.	Cambodia	Silk
3	Kawasakikaki Co. Ltd.	Kenya, Ethiopia	Preserved flower
4	Kei Kobayashi Co. Ltd.	Morocco	Cultivated chili peppers
5	ShaplaNeer: Citizens' Committee in Japan for Overseas Support NPO	Bangladesh, Nepal	Natural Soap (cosmetics)
6	FAR EAST Inc.	Uganda	Dry fruits and dry ginger
7	Yukiguni Maitake Co. Ltd.	Bangladesh	Bean sprouts
8	Ruise B Co. Ltd.	Rwanda	Basket (handicraft)

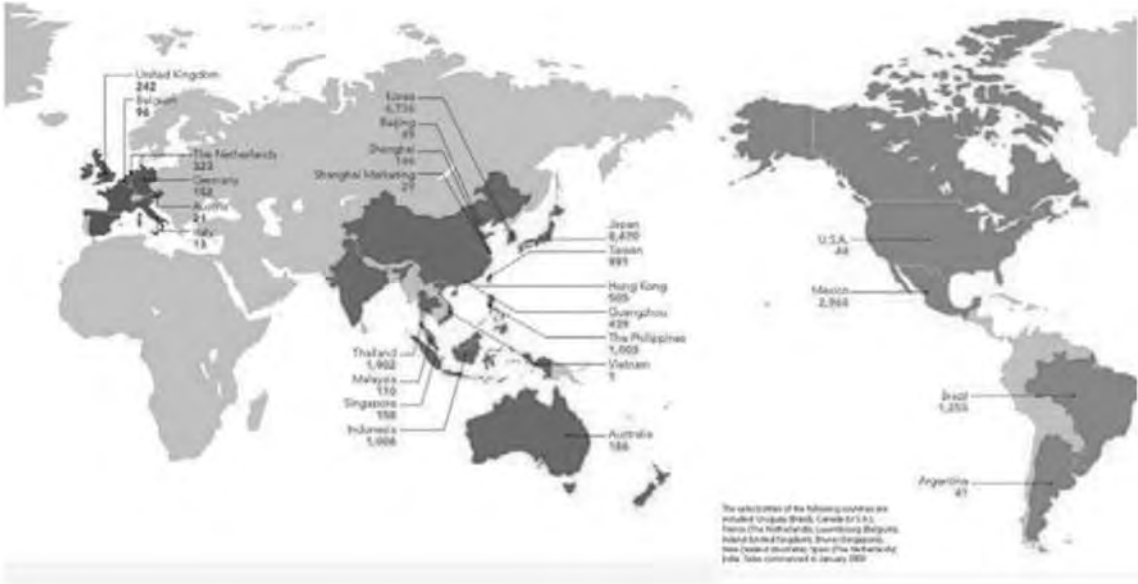
B. Pilot Demonstration Project for Development and Import Schemes 2009

	Name of the Corporation	Target country	Products
1	All Nippon Airways Trading Co. Ltd.	Ghana	Organic cacao beans
2	Corporation Smileyearth	Uganda	Organic cotton and shea butter
3	Zensho Co. Ltd. Kenya	Kenya	Tea from Tukiriri and Kangaita area. Develop of tea bags and leaf tea products. Use in restaurant industry.
4	Ruise B Co. Ltd	Rwanda	Basket (handicraft)
5	FAR EAST Inc.	Egypt	Mineral water
6	Dapo Company	Nicaragua	Pine needle baskets
7	Flower Auction Japan Inc	Kenya	Non native cult leaves
8	Advanced Material Japan Corporation	Myanmar	Antimony metal
9	Baraka Co. Ltd.	Tanzania	Mixed spice (powder) New product: Zanzibar mixed Spice (mild and hot)
10	Vox Trading Co. Ltd.	Uganda, Ethiopia, Madagascar	Organic cacao, organic vanilla beans and mustard seeds
11	Fair Trade Company	Kenya	Jam and Organic Herbal tea
12	Ecology Health Labo Co. Ltd.	Egypt	Dried Molokhia, dried spinach and dried vegetables

C. Pilot Demonstration Project for Development and Import Schemes 2008

	Name of the Corporation	Target country	Products
1	Baraka Co. Ltd.	Tanzania	Mixed spices
2	Vox Trading Co. Ltd.	Uganda, Ethiopia, Madagascar	Spices and food materials (cocoa and vanilla beans; mustard seeds; organic vanilla beans and pink pepper)
3	Ecology Health Labo. Ltd.	Egypt	Dried Vegetables (molokheiya and spinach)
4	Fair Trade Company	Kenya	Jam and herbal tea. New product "Hibiscus & Papaya Jam"

Annex 3



Source: Yakult Annual Report 2008 (Yakult operates in 31 countries)

Annex 4

Dead Capital in Latin America

	Population (m)	dead capital (\$m)	Dead Capital / citizen	GDP per capita	Bad Bureacracy ratio
Argentina	40.1	\$180,946	\$4,513	\$7,726	0.58
Bolivia	10.4	\$53,959	\$5,175	\$1,724	3.00
Colombia	45.8	\$155,114	\$3,388	\$5,087	0.67
Dominica Republic	9.9	\$31,087	\$3,145	\$5,176	0.61
Ecuador	14.3	\$56,421	\$3,944	\$4,059	0.97
El Salvador	6.2	\$15,435	\$2,492	\$3,623	0.69
Guatemala	14.4	\$32,637	\$2,273	\$2,662	0.85
Haiti	10.1	\$12,798	\$1,269	\$733	1.73
Honduras	7.6	\$10,557	\$1,386	\$1,823	0.76
Mexico	112.3	\$597,267	\$5,317	\$8,135	0.65
Panama	3.4	\$12,269	\$3,602	\$7,133	0.51
Peru	29.5	\$56,850	\$1,930	\$4,356	0.44



<http://www.iadb.org/news/docs/ild.pdf>

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