

## **PRESS RELEASE**

### **Making money by making a difference Report of the Global Conference on Social Responsibility Practical Steps for Benefiting the Poor and Raising Profits**

“The poor have a right to be treated as consumers. They have their own dignity and choice. Therefore, they have a right to be provided with affordable and world class products and services. The poor do not deserve any less. They also need to be allowed to share and co-create their own experience. We cannot have an elitist approach. We cannot democratise the commerce if we leave out 5 billion people. Therefore the bottom of the pyramid must become a market. Let us build inclusive capitalism”. This was stated by Professor C K Prahalad, the celebrated professor of Management at the University of Michigan, in his keynote address at the recently concluded Global Conference on Social Responsibility. Professor Prahalad added, 21<sup>st</sup> century must be all about economic freedom. This is what is called democratising commerce. Every person must have access to the benefit of globalisation.

Rt. Hon. Joe Clark, the former Prime Minister of Canada and now head of Clark Sustainable Resource Developments supported C K Prahalad's observations. He said, the real growth of multinational business lies in the emerging markets. Businesses in the resource and extractive industries especially, have to go where their ore or their oil are. They don't have the luxury of operating in safe and familiar places. Companies need to change their paradigms. “Paradigms that create the problems will not create the solutions. We need to find an answer how companies can be encouraged to change the context and assumptions that guide their decisions.”

Dr Giscard D'Estaing, the Founder & Chairman of INSEAD observed, once companies get into the country they need to become active in wider issues of the community. He said that the French resistance to Lakshmi Mittal's take over bid of Acelor was primarily based on such corporate responsibility issues and nothing to do with protectionism.

Earlier in his theme address Madhav Mehra, President of the World Council for Corporate Governance, stated that in reaching the poor corporates must strive not to proliferate the products and clutter the environment while leaving the customers half longing and half spoiled. Advocating Poor Orientated Innovation and Sustainable & Ecofriendly Development (POISED) Mr Mehra said, “the growth agenda should not be built on consumerism but conservationism”.

Baroness Flather emphasised the particular needs of women and said that all development effort has to be gender biased in favour of women. “Women are the key to change. Yet, in many developing countries. They have little or no status and there are very few means through which they can improve their lives.”

The conference was addressed by almost one hundred experts, business leaders and policy makers from 27 countries on the practical steps that businesses can take to benefit the poor and raise profits. There was a significant participation from all three sectors – government, business and civil society.

The conference discussed the need for aligning strategies and developing global networks. Rosemary Hillhorst, Director British Council Portugal, said that 109 offices of the British Council could support such a network. Erika Mann, MEP from Germany, supported the idea and assured support of the European Union. It was felt that CSR provided a bridging mechanism that can bring these groups together in a non adversarial way. All that was required was a continuous dialogue between these three groups to identify and replicate models such as Amul and SEVA in India and Casa Bahia in Brazil that had worked in different countries. It was decided that the World Council for Corporate Governance should assume the temporarily ownership of the platform for creating of win-win models that can be scaled-up and translated into action.

The conference was organised by the World Council for Corporate Governance in partnership with the International Chamber of Commerce, UK's Business in the Community, Transparency International, Canadian Business for Social Responsibility, RSE Portugal and Centre for Social Responsibility of India's Institute of Directors.

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Thank you.

Kind regards  
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