

10. Media Coverage

10.1. Fiji Government Press release

Unleashing Entrepreneurship: Making Business Work for the Poor

The UN Commission Report being launched in the Pacific today titled “Unleashing Entrepreneurship: Making Business Work for the Poor” is a critical first step in identifying the important role that the private sector must play to ensure that business will work for the poor.

CEO Foreign Affairs and External Trade, Isikeli Maitoga made the remarks as he launched the Pacific workshop on the UN Report on ‘Unleashing entrepreneurship: making business work for the poor’ today.

“This launch is timely in providing us with a clear recommendations on how major actors – governments, development institutions, civic societies and the private sector – can work together to enhance the ability of the private sectors to further advance the national development processes,” he said.

“In Fiji, the present government, right from the beginning of its tenure, had adopted the approach that the private sector is the engine for growth in the economy and that government is there to be partner in that role and to provide an enabling environment for positive economic growth. Government is ready if, when and where necessary to provide the role of a catalyst to ensure there is balance in the distribution of economic developments and benefits in the country.

Maitoga said the UN Report identifies that that the primary responsibility for achieving growth and equitable development lies with developing countries. For the countries in the Pacific Region we must accept this responsibility.

“This would mean that at our respective national level we must put in place policies and economic conditions that would secure the needed financial resources for investment,” he said.

“The Report suggests ways for developing and developed countries to develop partnership through the promotion of entrepreneurship in our respective countries to make the business model in the formal economy also deliver for the poor.

Maitoga said the Report has identified best practices and made some suggestions for enabling reforms and domestic policies that would be necessary to be put in place.

“It has identified the need to develop partnership at national and international levels that will unleash entrepreneurship in developing countries,” he said.

“The Report focuses on the “missing market” i.e. the small businesses and the informal, village-based micro-enterprises because of their untapped potential to contribute to domestic economic development.

He said it acknowledges that the engine of growth in the formal sector of most economies is the private sector and it is seeking to use this same engine to unleash the entrepreneurship potential for growth in the informal sector through positive engagement with governments and communities in rural areas to address the development needs through micro-enterprise developments.

“The role played by an increasing number of private sector resources hitherto not recorded on the radar screen of the private sector development has challenged the traditional paradigm for economic development model. The private sector is realizing the vast emerging market at the base of the economic pyramid – 4 billion people by a recent UN estimates,” he said.

“As today’s advanced economies become the shrinking part of the world economy, the focus is on emerging markets. Many companies are already serving the world’s poor in ways that generate strong revenues and by building businesses that is aimed at the bottom of the pyramid, it provides them with competitive advantage for the future, as well as linking them to the market place for this massive pool of consumers.

Mataitoga said in the context of the Pacific region, the Report provides for us new potential for economic growth – the concept of the “Missing Market” that in this region represents 80% of the population that are sidelined by the formal economic sector largely because they are rural dwellers with low income levels.

“The business model of focusing corporate strategy to grow market shares and profits by serving the “missing markets” offers viable business solutions that have strong development and poverty reduction outcomes,” he said.

“Last week my Ministry organized a workshop on MDG 8: Developing Global Partnership for Development where participants from government, civic society and the private sector were present. It is a first in a series we will organize to help in building in-country partnerships and relationships to achieve common goals. One of the objectives of the workshop was to start the process of building networks between representatives and community based organizations on how they may develop new partnership to meet the MDGs in Fiji.

He said in the context on MDG 1 relating to poverty reduction, one of the challenges discussed was how to develop a local framework that would engage the private sector and CBOs in Fiji, in the delivery of SMEs in rural and marginal communities.

“The search for new and innovative ways for achieving the Millennium Development Goals must continue. For far too long development specialists have overlooked or downplayed the role of entrepreneurship in creating economic growth, providing employment and increasing productivity. Governments seeking to lift their people from chronic conditions of poverty must focus on the conditions that will allow grassroots entrepreneurship to flourish,” he said.

“But if they are to flourish and provide jobs and income needed to build a more equitable and prosperous society – if they are to take root and grow – they need partnership.

Mataitoga said partnership at domestic and international levels – cross-cutting partnership – involving small businesses and micro-enterprises, multilateral development institutions, civic societies and large scale private sector companies.

“It is important that governments of the region create strong communities because these will lead to strong businesses and the converse is also true. The private sector must make a conscious effort to serve and uplift those who are outside the formal economy – not so much out of charity or sense of corporate responsibility but because its good business decision,” he said.

"The focus is on local small businesses and informal, community-based micro-enterprises because of their potential to contribute to domestic economic development.

10.2. Fiji Press release

'Missing market' a target for rural growth

THE UN Commission Report Unleashing Entrepreneurship: Making Business Work for the Poor is a critical first step in identifying the important role that the private sector must play to ensure that business will work for the poor, Foreign Affairs ministry chief executive Isikeli Mataitoga says.

He made the remarks when he launched a Pacific workshop to discuss the Report in Suva yesterday.

The Report suggests ways for developing and developed countries to develop partnership through the promotion of entrepreneurship in our respective countries to make the business model in the formal economy also deliver for the poor.

The Report also identifies best practices and has made some suggestions for enabling reforms and domestic policies that would be necessary to be put in place.

"This launch is timely in providing us with a clear recommendations on how major actors governments, development institutions, civic societies and the private sector can work together to enhance the ability of the private sectors to further advance the national development processes," he said.

"In Fiji, the present government, right from the beginning of its tenure, had adopted the approach that the private sector is the engine for growth in the economy and that government is there to be partner in that role and to provide an enabling environment for positive economic growth."

"Government is ready if, when and where necessary to provide the role of a catalyst to ensure there is balance in the distribution of economic developments and benefits in the country."

He said the UN Report identifies that that the primary responsibility for achieving growth and equitable development lies with developing countries. And for the countries in the Pacific Region they must accept this responsibility.

This would mean that at national level, Pacific Islands must put in place policies and economic conditions that would secure the needed financial resources for investment, Mr Mataitoga said.

"It has identified the need to develop partnership at national and international levels that will unleash entrepreneurship in developing countries," he said. "The Report focuses on the 'missing market' i.e. the small businesses and the informal, village-based micro-enterprises because of their untapped potential to contribute to domestic economic development."

He said the Report acknowledges that the engine of growth in the formal sector of most economies is the private sector and it is seeking to use this same engine to unleash the entrepreneurship potential for growth in the informal sector through positive engagement with governments and communities in rural areas to address the development needs through micro-enterprise developments.

"The role played by an increasing number of private sector resources hitherto not recorded private sector resources hitherto not recorded on the radar screen of the private sector development has challenged the traditional paradigm for economic development model.

"The private sector is realising the vast emerging market at the base of the economic pyramid 4 billion people by a recent UN estimates," he said. "As today's advanced economies become the shrinking part of the world economy, the focus is on emerging markets."

"Many companies are already serving the world's poor in ways that generate strong revenues and by building businesses that is aimed at the bottom of the pyramid, it provides them with competitive advantage for the future, as well as linking them to the market place for this massive pool of consumers."

Mr Mataitoga said in the context of the Pacific region, the Report provides for Fiji new potential for economic growth.

He said the concept of the Missing Market that in the region represents 80 per cent of the population that are sidelined by the formal economic sector largely because they are rural dwellers with low income levels.

"The business model of focusing corporate strategy to grow market shares and profits by serving the "missing markets" offers viable business solutions that have strong development and poverty reduction outcomes," he said.

Last week, the Foreign Affairs organised a workshop on the eight Millennium Development Goals called Developing Global Partnership for Development.

The workshop included participants from government, civic society and the private sector.

It was a first in a series that the ministry will organise to help build in-country partnerships to reach common goals.

10.3. UNDP Press Release

Pacific Private Sector meets to discuss entrepreneurship in the Pacific Regional meeting on Making Business Work for the Poor

More than 40 delegates including SME policy makers, business leaders and representatives of business associations and groups from 12 countries -- Cook Islands, Federated States of Micronesia, Kiribati, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tokelau, Tuvalu, Vanuatu and the host country Fiji, as well as development organizations (ADB, IFC, Pacific Islands Forum Secretariat, UNDP, ILO AusAID), are meeting in Suva Fiji on November 8-9, 2005 to discuss the role of entrepreneurship in the Pacific. The UNDP Pacific Sub-Regional Centre, in cooperation with the newly established Pacific Islands Private Sector Organisation, is convening a Pacific launch of the Report on **Unleashing Entrepreneurship: Making Business Work for the Poor** prepared by the UN Commission on the Private Sector and Development.

The Commission on the Private Sector and Development, co-chaired by Prime Minister Paul Martin of Canada and Ernesto Zedillo, Mexico's former president, was convened by the Secretary-General and sponsored by UNDP in an effort to identify and address the legal, financial and structural obstacles blocking the expansion of the indigenous private sector in developing nations.

Mr. Miko Rwayitare, a member of the Commission from Congo and founder of Telecel International, Africa's biggest cell phone network, officially launched the Report during the first day of the 2 day workshop on November 8, 2005. He noted that the work of the Commission has "been heavily influenced by the voices of entrepreneurs and that entrepreneurship encompasses the actions of small, informal, village as much as it does of the managers and innovators in multinational corporations and large local companies. It is their voices that we have heard the loudest." He further remarked that the Pacific countries face similar challenges than African countries in terms of access to market, high costs of infrastructure and cost of doing business. However, despite these constraints, there are opportunities for businesses to provide goods and services to the poor. For example, cell phones are booming in Africa with subscriber numbers expected to hit 100 million by the end of the year from 40 million in 2002. Mr. Rwayitare illustrated the many ways that ICT is changing the lives of the poor in Africa. In Senegal, farmers and fishermen get the latest market prices for their goods via their phones, in South African townships AIDS counselors monitor patients on life-prolonging drugs via cell phone applications, and in tiny Lesotho, farmers receive weather forecasts via SMS.

CEO Fiji Ministry of Foreign Affairs and External Trade, Isikeli Maitoga welcomed the delegates on behalf of the Fijian Government. He said in the context of the Pacific region, the Report provides new potential for economic growth - the concept of the "Missing Market" that in this region represents 80% of the population that are sidelined by the formal economic sector largely because they are rural dwellers with low income levels.

The launch will be followed by a one and half day workshop to discuss the recommendations of the Report and to mobilize action at regional and country levels.

It is also anticipated that the Pacific launch and workshop will generate innovative strategies as well as new partnerships, business models and actionable initiatives on enhancing interventions at the "Bottom of the Pyramid" (BOP) that will maximize the potential of the private sector in contributing to poverty reduction and achievement of the Millennium Development Goals (MDGs).

BOP is a business strategy that is built upon a conscious business decision to service the poor and marginalized. Not out of corporate social responsibility nor charity but as sound business decision and making money at the same time. A good example from Fiji includes the ANZ rural banking where the bank is targeting the 350,000 unbanked rural people which will grow its market share substantially. In 10 months they have 35,000 new accounts and have mobilized \$2million in deposits – serious business with potentially serious returns and strong pro-poor outcomes.