



## **Growing Inclusive Markets - FAQ**

### How can I become a partner of Growing Inclusive Markets?

For information on becoming a GIM partner, please contact us at [gim@undp.org](mailto:gim@undp.org).

### What are inclusive business models?

Inclusive business models include the poor on the demand side as clients and customers, and on the supply side as employees, producers and business owners at various points in the value chain. They build bridges between business and the poor for mutual benefit. The benefits from inclusive business models go beyond immediate profits and higher incomes. For business they include driving innovations, building markets and strengthening supply chains. And for the poor they include higher productivity, sustainable earnings and greater empowerment.

### Why aren't more businesses engaging in poor markets?

Market conditions surrounding the poor and their markets can make doing business difficult, risky and expensive. In the report, five broad constraints are identified: limited market information, ineffective regulatory environments, inadequate physical infrastructure, missing knowledge and skills, and restricted access to financial products and services. The report also identifies five successful strategies to overcome these obstacles and create a successful enterprise.

### What is meant by "core business" in this report?

The initiative promotes business models that create value by providing products and services to or sourcing from the poor, including the earned income strategies of nongovernmental organizations. It does not consider activities that are purely philanthropic or that cannot prove to be or become commercially sustainable, even though they have their own business rationales and are important for development.

### I see you have some non-profit scenarios in your case studies, why are they included in a private sector report?

The not-for-profit sector can be an important player in helping establish private enterprises that eventually do operate for profit. This is not a zero-sum game. Non-profits, governments, donors, and private enterprise all have strengths, powers and knowledge that can facilitate sustainable development, wealth and jobs creation. All actors in society are encouraged to collaborate to ensure the best solution for the greatest number of people.

### What role can governments play in operationalizing this report?

Governments are key players in creating value for all. They have the greatest power to remove constraints in the market environment, by generating regulation that facilitates competitive business, reducing red tape, ensuring a functional and inclusive financial market and providing access to the legal system for the poor. In addition, more collaboration with the private sector and upgrades in infrastructure and education, including training and consumer awareness, can remove basic constraints and make these initiatives more sustainable.

### Are these initiatives meant to replace direct country aid?

No, they are meant to create environments where the working poor can improve their lives to the extent that they will not be aid-dependent. The needs of the poorest of the poor cannot necessarily be met by private sector initiatives, and these people will still need local, regional or international aid.

### How do I use the heat maps?

Using household surveys, market heat maps illustrate how much the poor participate in markets. They show access to goods and services in selected sectors and countries, and they show how the goods and services are provided—revealing unmet demand for the poor as consumers and unrealized opportunities for the poor as producers.

### How can I make the strategy matrix useful for me/my company?

Our case study companies found and realized a wealth opportunities for themselves and for the poor. Drawing from the lessons learned from their experiences, the strategy matrix helps to identify market constraints and think through strategies to address them. It links five broad constraints in the markets of the poor with five strategies that can yield solutions.