Private companies are tying up with a United Nations organization to improve the lives of the Cambodians who work in their garment factories and who supply cotton to the industry. The arrangement is helping female factory workers earn diplomas by studying during weekends. It is also helping cotton farmers deal with smaller yields as they transition to organic farming.

The companies that employ these women also help to ensure that their factories use only cotton that is organically grown by area farmers. The garments that these factories turn out are sold under the label of a major global brand.

With consumers increasingly demanding organic, ethically sourced clothing, the global brand that has initiated this initiative is selling more garments than ever.

The initiative is also an example of how business models geared toward achieving both profit and environmental sustainability can succeed.

Similar efforts by private companies can be seen in many parts of Asia.

The history of the private sector's involvement in ethical development can be linked to the launch of the U.N. Global Compact in 2000. The Global Compact is a strategic policy initiative for businesses that are committed to certain principles regarding human rights, labor issues, environmental safeguards and anti-corruption. In 2004, in response to a request by the U.N. secretary general, the Commission on the Private Sector & Development, co-chaired by the prime minister of Canada and a former president of Mexico, presented a report, "Unleashing Entrepreneurship: Making Business Work for the Poor."

Private-sector-U.N. collaboration accelerated in response to this report, which calls on the public sector to create "an enabling environment" in which the public and private sectors could partner up and innovate. It also calls on the private sector to mobilize its capabilities and resources.

In 2007, U.N. Secretary-General Ban Ki-moon and Gordon Brown, a former prime minister of the U.K., called on business leaders to support a new global partnership to address the shortfall in progress toward delivering the Millennium Development Goals. These goals, established around the turn of the century, include halving extreme poverty rates, halting the spread of HIV/AIDS and providing universal primary education, all by 2015.

In 2008, over 60 CEOs and senior executives from private companies committed to and signed the Business Call to Action Declaration to support development efforts. The Business Call to Action is a global initiative that aims to accelerate progress toward the goals by challenging private companies to develop inclusive business models that offer the potential for both commercial success and developmental impact. "Inclusive" means to include low-income people in value chains -- suppliers, producers, distributors, consumers. For a business to contribute to development, inclusiveness is key.

Supported by the Australian, Dutch, Swedish, U.K. and U.S. governments and hosted by the U.N. Development Program, the Business Call to Action promotes inclusive business models by providing a best practice and membership platform, and also by providing access to a network of advisers and shared knowledge to companies and development agencies. The call to action also provides advisory assistance to companies that want to develop concrete initiatives. The member companies are then required to report the results of their initiatives annually.

As of July 2014, 93 companies have joined the call to action. The collective impact of these member companies’ commitments should be impressive: By 2022, 89 million people will benefit from improved access to energy, 60 million people will experience improved health outcomes, 9.2 million will have improved nutrition. Also, 2.2 million jobs will be created, and 545,000 farmers will experience better crop yields.

Out of 93 initiatives by call to action member companies, 44 have been implemented in Asia, including four by Japanese companies. One is the Pre-Organic Cotton Program initiated by two Japanese companies, trading house Itochu and Kurkku, which promotes sustainably sourced food and apparel. The program supports Indian cotton farmers' efforts to convert to organic farming. The program is unique in that it supports farmers in the three-year transition period before their farmland can be certified as organic. It helps these farmers better deal with declines in yields and helps them obtain organic farming skills.
One of the newest call to action members is Panasonic, the big electronics company. It has started selling solar-powered lanterns in areas of Indonesia, Myanmar and Thailand where electricity does not reach. Panasonic’s initiative is designed to provide safe lighting options to people living without electricity as well as to reduce greenhouse gas emissions.

It has become evident in recent years that increasing numbers of companies in low- and middle-income economies are capable of initiating inclusive businesses. Currently, 45% of all call to action members are headquartered in low- and middle-income countries. One is Hapinoy, based in the Philippines, and another is Jaipur Rugs, based in India.

Hapinoy provides access to health care related goods and services as well as affordable and quality over-the-counter medicines in more than 100 remote and low-income communities. It does so through a network of neighborhood shops called Sari-Sari stores. The Hapinoy initiative will help expand training and education services to more than 10,000 Sari-Sari store owners. The program also tries to ensure that the shop owners have basic business skills and health care knowledge. The goal is that the owners become vital resources for health information and that their stores become integrated health hubs.

In India, Jaipur Rugs, one of the largest manufacturers of hand-knotted rugs, has committed to expanding its supplier base of weavers. It is developing specialized training programs to assist low-income earners, predominately women in disadvantaged regions, gain access to employment opportunities. By removing the middlemen, Jaipur Rugs is able to pass along cost savings to its artisans, who are paid an average of 33% more than they would get from other rugmakers. The training -- in advanced carpet weaving techniques and quality control -- also results in higher quality rugs and higher quantities of them.

With the success of its first phase, the Business Call to Action now aims to continue its growth and to deepen its country-level engagement and efforts to evaluate the impact and effectiveness of members’ initiatives. The call to action plans to identify specific country-level development issues and corporate interests that member companies are prioritizing. It will also introduce a new tool to help members better monitor on-the-ground activities, evaluate their achievements and share them. By the end of 2015, the call to action plans to recruit more than 150 companies.

Finally, it is encouraging that the recent Human Development Report, issued July 24 in Tokyo, highlights the fact that all of Asia’s low- and middle-income countries improved their index values. This suggests that these countries’ standards related to education, life expectancy and gross national income per capita have improved. The countries are now more capable of initiating and fostering inclusive businesses, utilizing their human capital and economic base.

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