

Inclusive Business – What It Is All About? Managing Inclusive Companies

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ABSTRACT: Following the challenges we face today, the inclusive business models are future business models through which the Millennium Development Goals can be fostered and strengthened. These are the models which, through their strategic orientation on inclusivity, include low income communities in their value chain. This can be done through combining variety of strategies which all have two common points – recognition of stakeholders and adjustment of the product to the target market. The paper presents the analysis of inclusive markets. Hence, the research results show the dispersion of inclusive businesses worldwide, type of the organization, sector coverage, and contribution to MDGs as well as the particular way of inclusion of low income communities in their value chain. The aim is to present how inclusive business benefits not only the low income societies, but the companies that operate in this way as well.

Keywords: Inclusive business organizations; MDGs, Inclusive business models; Base of the Pyramid strategy

JEL Classifications: M14; D23; L20; A13

1. INTRODUCTION

As the businesses grow, consequently their demand for supplies is increasing, and thus their need to include other parts of the world's economy is needed. In this way they can create business opportunities for the world's population in lower income societies (or the base of the pyramid - BoP). The private sector is thus, pursuing growth and sustainable inclusion of almost 4 billion people leaving at the base of the pyramid. They can be included in the value chain as suppliers – producers, customers or entrepreneurs. In this way they can escape poverty and improve their lives. The usual business services the private sector can provide in lower income communities include: health care (hospitals, supply of pharmaceutical products), telecommunication, electrical power, clean water, education (schools, universities), financial services (micro credits, loans) etc. Inclusion of low income communities in the business value chain pays-off due to their penetration on the untapped markets and profits gained from the business that is done there. Companies that are running their business in such a way are called *inclusive businesses*. But, in order to be successful, companies should be innovative, and creative. Their managers should overcome traditional stereotypes with regards to BoP societies, be opened-minded, proactive, and ready for fighting new challenges. On the other side, apart from corporate economic benefits, the social inequality is reduced. Companies should adapt their product and processes. While other innovation strategies entail filling market gaps or engaging other stakeholders, adapting products or processes can allow a business to circumvent constraints by acting on its own. So, this strategy is often used to deal with constraints that are very difficult to remove, an ineffective regulatory environment or inadequate physical infrastructure. (UNDP, 2008:45)

Authors conducted a research in order to find out and locate what companies are conducting the business following the inclusive model. The research was enriched by defining the sector where they operate, the role of the poor in their business model as well as their contribution to the defined Millennium Development Goals. The results are presented separately using regional separation as the main criteria.

The aim is to present how inclusive business benefits not only the low income societies, but the companies that operate in this way as well. Thus, we shed some light on the concept of inclusive business, its micro and macro benefits, and its effective implementation in the ordinary business practice (management practices).

The purpose of the paper is to present how and where in the world inclusive businesses operate and how they are contributing to Millennium Development Goals.

We started with the main hypothesis that *inclusive business is long-run profitable business that helps low income societies (base of the pyramid) to overcome poverty and ensures long-term business profitability if effectively implemented.*

2. LITERATURE REVIEW

Inclusive business models expand access to goods, services and livelihood opportunities for those at the base of the pyramid in commercially viable, scalable ways. Inclusive business models are helping companies turn underserved populations into dynamic consumer markets and diverse new sources of supply. In the process, companies are developing product, service and business model innovations with the potential to tip the scales of competitive advantage in more established markets as well. (Jenkins et. al., 2011: 2) **The notion of inclusive business** calls for additional focus and innovation in the way companies do business. It involves creating new forms of employment, new markets, and affordable products and services. This spurs economic growth and encourages entrepreneurship. (Bonnell and Veglio, 2011)

Inclusive business is the one which seeks to contribute to poverty alleviation by including lower-income communities within its value chain while not losing sight of the ultimate goal of business, which is to generate profits. (WBCSD and SNV, 2006: 2)

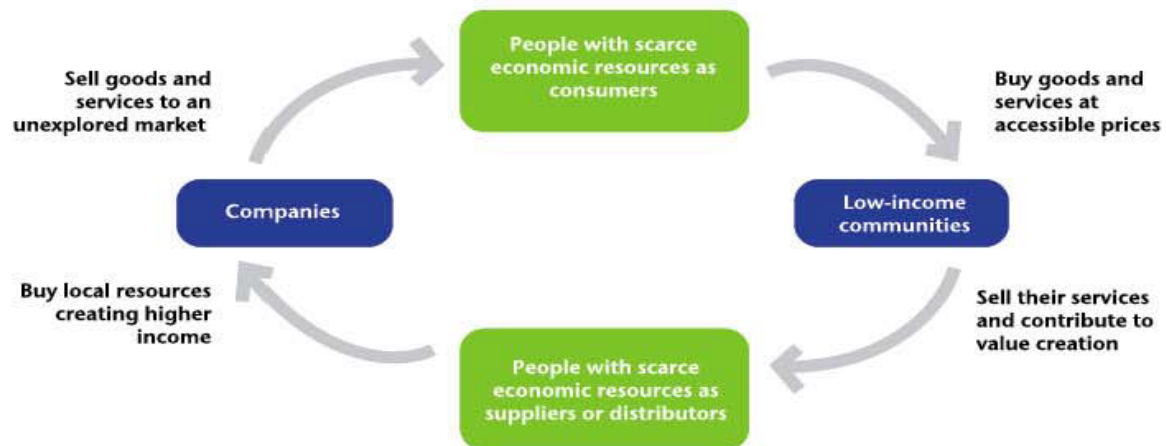
Inclusive businesses are entrepreneurial initiatives that are economically profitable and environmentally and socially responsible. Underpinned by a philosophy of creating mutual value, Inclusive Businesses contribute to improving the quality of life of low income communities by integrating them in the business value chain: as suppliers of services and/or raw material, as distributors of goods and/or services and as consumers, by offering goods and services to fulfill their essential needs at prices they can afford. (WBCSD and SNV, 2011: 10)

Doing the business in the inclusive way is originally based on the social responsibility of the company. Without being socially responsible, the company could not follow the inclusive business model. Corporate social responsibility integrates the economic, ecological and social dimension of the business operations. Corporate social responsibility refers to an ever-widening agenda of voluntary initiatives various forms of private regulations in which non-state actors play a key role in setting standards related to the workplace, the environment and human rights, and promoting and overseeing their implementation. The CSR initiatives typically relate to working conditions, eco-efficiency, community support and anti-corruption. (United Nations Research Institute for Social Development, 2010: 234) Inclusive models are one step further because they operate within the low income communities helping them overcome poverty and enabling them access to information, and furthermore to goods and services they need at the price they can pay. People with scarce economic resources are targets for inclusive businesses. They are integrated within the value chain as customers, suppliers or distributors. This is shown in the following picture (Chart 1).

There are reasons why companies should include almost 4 billion people in their value chain. In general, there are economic and social benefits for the companies and for the society they operate (Chart 2). If generalized, they can be split into two categories: macro and micro benefits. Inclusive business leads to: (WBCSD and SNV, 2006: 2).

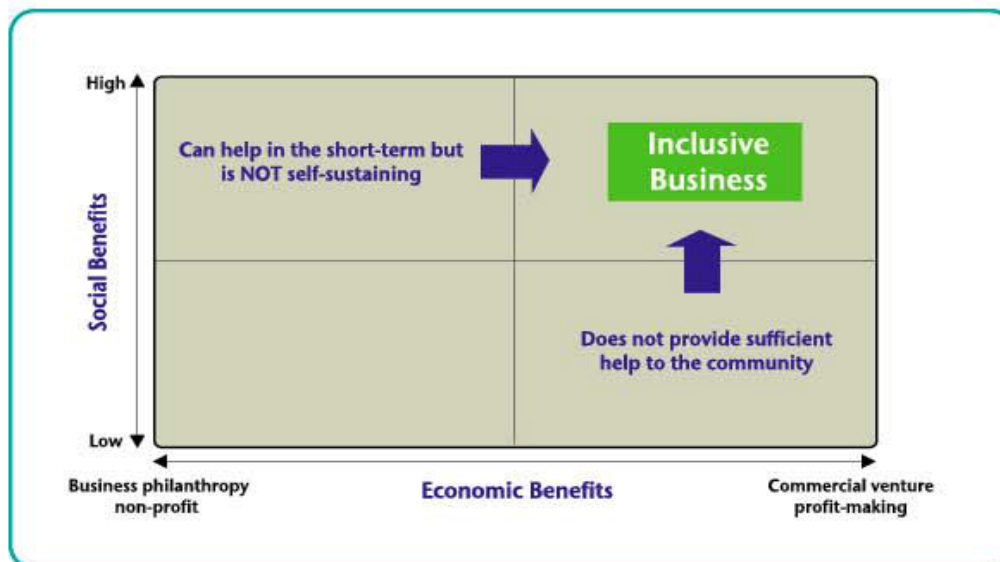
- 1) Increased profitability for the company as a result of lower supply costs, market expansion through the inclusion of low-income sectors, and greater sustainability of the business activity
- 2) Improving living conditions for poor populations as a result of increased incomes and/or greater access to goods, services or infrastructure.

Chart 1. The Integration of the Low-income Communities in the Value Chain



Source: WBCSD and SNV, 2006: 3

Chart 2. Economic and Social Benefits of Inclusive Business



Source: WBCSD and SNV, 2006: 2

Benefits of inclusive business are presented in the following table 1. When focusing exclusively on the micro benefits, **the motive for doing business with the poor** is not always immediate profitability. Sometimes it is longer-term growth and competitiveness through fostering innovation - a must for companies to compete and grow (good for multinationals). The products, services and business models that result can be successfully transferred to developed markets, attracting consumers there. Expanding into poor markets allows firms to capture market share in a growing economy. And it allows them to build brand recognition and loyalty with a growing customer base (UNDP, 2008: 17-18).

There is a question how inclusive business can be done or what practices should be followed or supported. Herewith, the models featured in accelerating inclusive business opportunities developed by IFC¹ are presented.

¹ IFC – a member of the World Bank Group invests in the private sector. In the past five years, IFC has invested over \$5 billion in more than 200 companies in nearly 80 countries around the world.

Table 1. Benefits of inclusive business

| WITH PARTNERS, SUPPLIERS AND DISTRIBUTORS | |
|--|---|
| FOR THE COMPANY | FOR THE LOW INCOME COMMUNITY |
| Secure supply of raw materials. | Fair prices and conditions. |
| Traceability and quality control of raw materials. | Assured sales. |
| Lower transaction costs. | Employment creation and expansion. |
| Shared risks. | Training and technical assistance. |
| Access to knowledge and local networks. | Technology and knowledge transfer. |
| Better relations with government. | Access to financing. |
| Strategic positioning in new fair trade markets. | Participation in a business and investment environment. |
| WITH CONSUMERS | |
| FOR THE COMPANY | FOR THE LOW INCOME COMMUNITY |
| Access to new markets. | Greater access to quality products and services. |
| Increased income. | Lower and more affordable prices. |
| Transfer of product innovations to existing markets. | Better quality of life. |
| Increased brand value and positioning in order to capture new markets. | Increased productivity. |

Source: SNV and WBCSD, 2008: 13

Table 2. Business models in the IFC’s portfolio

| BUSINESS MODEL | EXPLANATION |
|----------------------------------|---|
| Micro Distribution and Retail | Reaches base of the pyramid (BOP) end consumers who tend to make small, frequent purchases close to home by leveraging and effectively serving existing retail outlets in the neighbourhoods where those consumers live. Such outlets are often small, with little space for excess inventory, and run by staff with little business training, scarce working capital, and no access to finance. They need small, frequent deliveries and the ability to buy on credit. They may need custom assortments and/or small-sized products (e.g., airtime cards in small denominations) or pay-per-use services (e.g., minutes of shared mobile phone use) that match BOP consumers’ limited, sporadic cash-flows. Many companies using the Micro Distribution and Retail model also provide business skills training and other forms of support to help such retail outlets increase sales, recognizing the link between the outlet’s business success and the company’s own |
| Experience-based Customer Credit | Generates additional revenue in the form of interest income through lending to customers the company knows are credit-worthy through experience doing business with them in the past—rather than formal credit histories. The model is generally employed by companies outside the financial sector, though some may have credit arms or subsidiaries. Some companies focus on their direct customers. One company lends to its customers’ customers as well, based on the experience its customers have had with those people in the past (and leveraging their existing relationships to help incentivize repayment).The model is predicated upon limited access to other sources of credit at similar rates or for similar purposes. |
| Last-Mile Grid Utilities | Extends grid coverage to more distant and often lower-income neighbourhoods through a combination of financing, technology, and customer service innovations that help cover capital Expenditures, minimize technical and commercial losses, and ensure customers pay on time. The model is based on a clear value proposition to the consumer: greater quality, reliability, convenience, and in many cases, lower cost compared to previously available, often informal utility options |

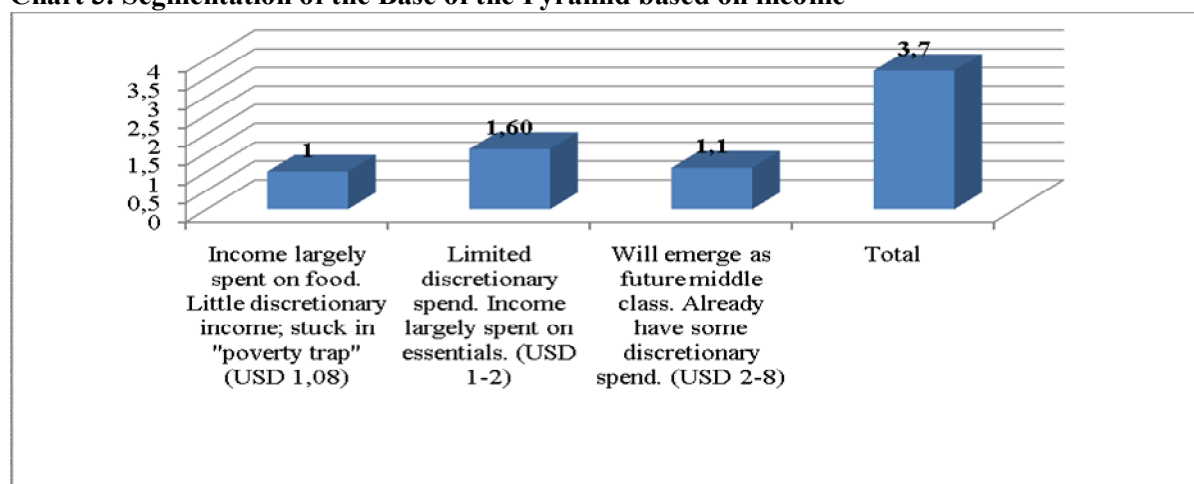
| | |
|-------------------------|---|
| Smallholder Procurement | Turning geographically dispersed smallholder farmers into reliable sources of quality supply through efficient aggregation methods and customized packages of support services that build capacity and loyalty. Common support services include agricultural extension, business development, access to agricultural inputs, and credit. Sometimes, buyers choose to focus on higher value crops capable of earning a premium in the marketplace to help cover the cost of such support |
| Value-for-Money Degrees | Makes university education accessible to all through a combination of innovations that increase affordability and value for lower-income students. To increase affordability, these universities use standardized curricula that can be taught by part-time instructors, accessible physical and virtual campuses that reduce students' transportation costs, modular programming that matches cash flows and access to student loan financing. To create value, they offer course content and career services tailored to the job market. |
| Value-for-Money Housing | Makes home ownership possible for lower-income buyers through a combination of high value for money and facilitated access to mortgage financing. A home is the biggest investment most people ever make and they have to be convinced it is worth the commitment, which can feel risky. Value-for-money housing balances aspiration (with a focus on quality, special features, and the community environment) and affordability (with home sizes and layouts in different price ranges, and features that reduce the ongoing cost of ownership). Because the model hinges upon access to financing, it often involves helping homebuyers—often the first in their families—navigate the mortgage application process. |
| E-Transaction Platforms | Many low-income people lack access to financial services as a result of the high transaction costs and complex logistics involved in reaching them. Technology companies are beginning to address these challenges through electronic transaction platforms, creating opportunities to serve low-income customers and bringing them benefits spanning convenience, efficiency, security, market access, and integration into the formal financial system. IFC is investing in a diverse set of technology companies that are helping to create the complex infrastructure for a cashless society to function. These companies have different business models. However, at a fundamental level, they display some interesting similarities—like leveraging existing retail outlets and networks, building outlets' business and technology skills, raising consumer awareness and helping them understand the value proposition behind cashless transactions |

Source: Jenkins, Ishikawa, Geaneotes, Baptista and Masuoka, 2011: 2 – 3.

3. THE BASE OF THE PYRAMID – WHO THESE PEOPLE ARE?

It is important to familiarize with the concept of BoP society. Within the BoP group, income levels vary. About 1.1 billion earn US\$ 2-8 per day and – while still considered poor – are beginning to generate significant discretionary income. In the mid-range, 1.6 billion earn between US\$ 1-2 per day, spending largely on essentials. One billion people live in extreme poverty, earning under US\$ 1 per day, and often struggle to meet basic needs (all figures in PPP\$). People at these income levels are found worldwide, largely in Asia (68%), Africa (16%) and Latin America (10%). This makes a total of 94%. Central and Eastern Europe and Russia count for 6%. 60% of the BOP is concentrated in India and China. The majority of BoP live in rural areas (68 % globally). (World Economic Forum and Boston Consultin Group, 2009) The Base of the Pyramid societies can be segmented based on their income. The following chart shows the segmentation.

What can be noted from the chart 3 is that 1.1 billion people are expected to emerge as the future middle class. For the multinational companies, that is, again, good indicator which could force them to engage more with this communities and help them escape poverty thus making them integrated in their value chain. This is a huge market and could benefit companies' profits in the long run and vice versa, multinationals can offer these people new employment opportunities and make them more independent of external help in terms of loans etc.

Chart 3. Segmentation of the Base of the Pyramid based on income

Source: World Economic Forum and the Boston Consulting Group, 2009:10

The main salient characteristics of the BoP society are (World Economic Forum and Boston Consulting Group, 2009:5): (1) *Financial constraints* - low and fluctuating incomes, and limited access to credit or insurance, drive the BOP to be smart shoppers and risk-averse investors; (2) *Life challenges* - domestic constraints, difficult living conditions, and high prices for often substandard products or services are among the daily challenges at the BOP; (3) *New Customers* - BOP consumers lack information on many commercial products, and therefore rely more heavily on trusted sources or demonstrations to make buying decisions; (4) *Quality Standards* - BOP consumers and workers conduct their lives with dignity and demand both respect and quality from service providers and employers.

4. MANAGING INCLUSIVE BUSINESS – EFFECTIVE STRATEGY IMPLEMENTATION

Businesses that want to become inclusive have to transform their business strategies in order to include the 4 billion people that live at the base of the pyramid. As such, they will have to think out of the box asking themselves questions such: “*Who can use the product we make?*” rather than “*Who can buy the product we make?*”. (World Economic Forum and The Boston Consulting Group, 2009: 14) So, companies should rather be focused on the possibilities of different people, rather than on the selling of the product regardless of the possibilities and needs of the targeted communities. It is better to research the market first and create the product which is suitable for the target market, and the product they need.

First, they should get acquainted with main characteristics of the BoP societies mentioned above. They should be aware that these people are struggling with low income, lack of information and at the same time they have a strong desire for products and services which suit their needs but live in remote rural areas making it even more difficult for them to acquire proper information on products and services offered on distant markets. Thus, diversity management skills will come in the foreground. Especially cross-national diversity management due to managing workforce composed of citizens in different countries. This presents different challenges and dilemmas, and requires a different set of policies and programs, as well as it should take into account the legislative cultural context in other countries. (Mor Barak, 2011: 236)

Second, they should follow the principles of success which are structured along four parts of a typical business model: product innovation, supply chains, marketing and partnership. These are: (World Economic Forum and The Boston Consulting Group, 2009: 24)

- 1) *Create life-enhancing offerings* – companies need to adapt their products and prices to the specific needs of this society
- 2) *Reconfigure the product supply chain* – source from local producers, leverage local distribution channels, finding ways to overcome infrastructure constraints
- 3) *Educate through marketing and communication* – educate about the product benefits, create word-of-mouth advocacy, aim for trust and identity in branding

- 4) *Collaborate to form non-traditional partnerships* – partner with communities, create incentives that encourage self governance, collaboration with unconventional partners (civil society and competitors), share products and assets, capabilities and knowledge, make partnership work
- 5) *Unshackle the organization* – senior level commitment, create focus and accountability, provide decision rights and autonomy, create lean and agile structures, provide access to capabilities and knowledge.

Following the above mentioned, the UNDP (2008: 46) distinguishes similar strategies to overcome the constraints such as lack of market information and regulatory environment as well as physical infrastructure, knowledge and skills and access to financial services. The strategies are: 1) adapt products and processes, 2) invest in removing market constraints, 3) leverage the strengths of the poor, combine resources and capabilities with others and 4) engage in policy dialogue with government.

The new strategy is a so called *BoP (Base of the Pyramid) strategy*. There are several ways this can be done. The most important is efficient implementation of the defined strategy with the aim of becoming inclusive. However, businesses have to bear in mind that their business operations should be economically, ecologically and socially sustainable. Hence, they are at the same time supporting corporate social responsibility. Consequently, the second important issue is stakeholder participation and partnership. Shifting their business in low income world, companies, in order to be inclusive and hence, socially responsible have to take into consideration the societies they will start to work with and the community where they will operate. The collaboration with non-traditional partners was already mentioned. The recognition of the community means making partnership with local actors such as civil society organizations (CSOs), local entrepreneurs and community members in order to accurately develop products and services for the poor. These partners provide local market knowledge, potential distribution channels and local legitimacy to help big business successfully engage BoP communities. Companies are also advised to work with CSOs, the government and other businesses to "combine their capacities" to effectively include the poor in their business strategy. (Mahmoud, 2009) Governments can strengthen policy and tax incentives for BOP business engagement Companies can collaborate across industries and among stakeholders to leverage shared resources and capabilities. Partnering with NGOs, donors and governments can combine organizational capacities in ways that benefit all. All stakeholders can work to identify viable business models, monitor and evaluate their impacts, and share learnings to accelerate momentum. Raising the visibility of successful BOP business initiatives can catalyze learning and broader adoption by companies. (World Economic Forum and The Boston Consulting Group, 2009: 7) To summarize, it is important to manage and understand relationships within and around the activity. The *Stakeholder Circle* could be a good method. This methodology is based on the concept that an activity can only exist with the informed consent of its stakeholder community, and that managing the relationships between the community and the activity will increase the chances of success. It is based on five crucial steps: 1) identification of all stakeholders, 2) prioritisation to determine who is important, 3) visualisation to understand the overall stakeholder community, 4) engagement through effective communication and 5) monitoring the effect of engagement. (Bourne, 2009: 43 – 44) When organisations' decisions and actions have important implications for others, the stakeholder thinking process of always reasoning in stakeholder terms throughout the management process should be taken prioritized. (Carroll and Buchholtz, 2011: 94) However, relationship between corporations and their stakeholders vary from issue to issue and from time to time as concerns and priorities change over time: new classes and configuration of stakeholders appear. (Post, Preston, and Sauter-Sachs, 2002: 24)

Key publicly-available tools and resources that support the initiation, development and scaling of inclusive business models are particularly important for enabling the success of inclusive business initiatives, supporting a range of key commercial and developmental outcomes: (WBCSD, 2010: 1)

1. **Identifying** appropriate business models and reducing risk by learning from the successes and issues faced by others;
2. **Reducing** search, initiation, development and transaction costs;
3. **Facilitating** partnership initiation, development, management and evaluation;
4. **Enhancing** access to finance;
5. **Measuring** and evaluating commercial and developmental benefits; and

6. **Maximizing** the commercial and social value of business models through effective advocacy and communications.

There are many developed tools and resources to specifically support these outcomes. However, we can split them into two main categories: **1) resources for action and 2) supporting resources.** (WBCSD, 2010: 2–5)

The “action category has been divided into three basic stages to assist practitioners find resources that are appropriate to their stage of inclusive business model development:

1. **Concept development** – Developing an initial inclusive business concept that can be taken forward for piloting and/or implementation, and building internal support for the concept where necessary.²
2. **Implementation** – Implementing successful inclusive business models in real-world markets.³
3. **Measurement and evaluation** – Evaluating and measuring the commercial and social performance of inclusive business models, as a key platform for enhancing performance and for business model replication and/or scaling.⁴

In the inclusive business space there are a range of *resources and information platforms which further facilitate and magnify the efforts being made by practitioners.*

These resources include:

- **Case studies & data** – Data sources that inform inclusive business model design and implementation, through documenting the experiences of others and providing useful commercial and social data.⁵
- **Networking** – Enabling like-minded individuals and organizations to engage in innovative dialogues on inclusive business and make connections for mutual advantage.⁶
- **Visibility** – Platforms, information channels, and events that maximize the value of outreach activities of organizations engaged in inclusive business.⁷
- **Advocacy** – Organizations and platforms that seek to influence public and corporate policy to enhance the enabling environment for the expansion and scaling of inclusive business.⁸

² (i.e. WBCSD Inclusive Business Challenge, IBLF: A Guide to Inclusive Business, WBCSD/SNV Alliance for Inclusive Business: Inclusive Business Profitable Business for Successful Development, UNDP: The MDG's: Everyone's Business – *building awareness and internal support*, UNDP Growing Inclusive Market Strategy Matrix, Monitor Group: Emerging Markets, Emerging Models, Endeava: Inclusive Business Model Guide – *business model development*, Massachusetts Institute of Technology D-Lab, TU Delft BoP Initiative, Stanford Entrepreneurial Design for Extreme Affordability – *product design*, ODI: Supply and distribution chains of multinationals: Harnessing their potential for development, Harvard/IFC/IBLF: Business Linkages: Lessons, Opportunities and Challenges, Global Compact: Supply Chain Sustainability – *supply chain*).

³ (i.e. IBLF – A Framework for Practical Action in Inclusive Business, Base of the Pyramid Protocol, Business Innovation Facility Practitioner Hub – *general guidance*, WBCSD/IBLF Business Guide to Development Actors, The Partnering Toolkit – *partnering*, IFC/Harvard: Scaling up Inclusive Business – *scaling*, Asian Development Bank – Technical Assistance Project on Inclusive Business at the Base of the Pyramid, Inter-American Development Bank: opportunities for the Majority, African Enterprise Challenge Fund, USAID's Global Development Alliance, International Finance Corporation, Acumen Fund – *finance and funding*, UNDP Inclusive Market Development, Business Innovation Facility, Netherland Development Organization (SNV), IDB Corporate Leaders Program for Success in Majority Markets, IFC Advisory Services, Ashoka Full Economic Citizenship Initiative, Technoserve, Avina, Reciprocity – *advisory support*).

⁴ (i.e. WBCSD Measuring Impact Framework, UNEP: Towards Triple Impact – toolbox for Analyzing Sustainable Ventures in Developing Countries, Impact Reporting & Investment Standards, Oxfam Poverty Footprint, Base of the Pyramid Impact Assessment Framework, BCtA Result Reporting Framework).

⁵ (i.e. WBCSD Case Study Library, UNDP Growing Inclusive Markets Case Studies, IBLF Inclusive Business Sourcebook, Business Fights Poverty Case Study 'Clickable Map', Harvard Economic Opportunity Series Papers, IFC/Harvard: Scaling Up Inclusive Business, IFC: Telling Our Story: base of the Pyramid Investments – *case studies*, UNDP Heat Maps, IFC, World Bank and WRI: The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid, World Bank Data, Millennium Development Goals Statistics – *market data*).

⁶ (i.e. Business Fights Poverty, Business Call to Action, Base of the Pyramid Knowledge Network – *global*, Business Action for Africa, African facility for Inclusive Markets, Mapping Finance Work for Africa, African Platform for Development Effectiveness – *regional: Africa*, Majoritymarkets.org, reni-wbesd.org – *regional. Latin America*).

⁷ (i.e. Inclusivebusiness.org, Business Fights Poverty, NextBillion.net – *websites*, World Business and Development Awards – *awards*).

5. EMPIRICAL RESEARCH – INCLUSIVE COMPANIES AROUND THE WORLD

In this chapter we are presenting the results of the research we conducted in September 2010 using the web site <http://www.growinginclusivemarkets.org/> as the main source of information. This web site is based on the Initiative of the “Growing Inclusive Markets” (GIM). That is a UNDP-led global multi-stakeholder research and advocacy initiative that seeks to understand, enable and inspire the development of more inclusive business models around the globe that will help to create new opportunities and better lives for many of the world’s poor. By doing so, GIM contributes to human development and the Millennium Development Goals (MDGs). (<http://www.growinginclusivemarkets.org/>). We decided to choose this site as a starting point in research since we found that “*GIM Initiative involves a broad range of partners from developed and developing countries, has produced global, regional and national reports, action-oriented research tools, a web-based knowledge management platform, and generates capacity building, network building and knowledge sharing at the local level.*”

The results are presented separately. The region where companies operate was taken as the main criteria. This was based on the notion that the lower income communities are mostly found there. Thus, the following regions were taken into consideration: Eastern Europe, Sub-Saharan Africa, Middle East and North Africa, East and South-East Asia, South Asia, Latin America and Caribbean. Furthermore, to enlighten the real situation in inclusive business development, the sectors where companies operate was defined, the type of organization is stated, the role the poor people have, as well as the company’s contribution to Millennium Development Goals. Under type of organization authors distinguished the following in Table 3.

Table 3. Description of the types of inclusive organization

| <i>TYPE OF ORGANIZATION</i> | <i>DESCRIPTION</i> |
|------------------------------------|--|
| MSME | Micro, Small and Medium Enterprises which are classified like a Manufacturing Enterprises - The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries. They are defined in terms of investment in Plant & Machinery. And like a Service Enterprises - The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment (Development Commissioner (MSME) Ministry of Micro, Small & Medium Enterprises, 2011) |
| Large domestic company | A company that conducts its affairs in its home country. She is is often taxed differently than a foreign corporation, and may be required to pay duties or fees on the importation of its products. Typically, a domestic company is able to conduct business in other states or other parts of the country where it has filed its articles of incorporation. (Investopedia, 2011a) |
| Foreign MNC | A corporation which is incorporated under the laws of a different state or nation. A "foreign" corporation must file a notice of doing business in any state in which it does substantial regular business. It must name an "agent for acceptance of service" in that state, or the Secretary of State in some jurisdictions will automatically be that agent so people doing business with a foreign corporation will be able brings legal actions locally if necessary. (The free dictionary by Farlex, 2011a) |
| Foreign Company/MNC | A company which is doing business in a state other than the one in which it is incorporated. She is also called out-of-state corporation; opposite of domestic corporation. (Investor Words, 2011a) |
| Developing Country/MNC | MNC that operates in a country that is poor and whose citizens are mostly agricultural workers but that wants to become more advanced socially and economically (Word Web Online, 2011) |
| MNC | A corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management. Very large multinationals have budgets that exceed those of many small countries (Investopedia, 2011b) |

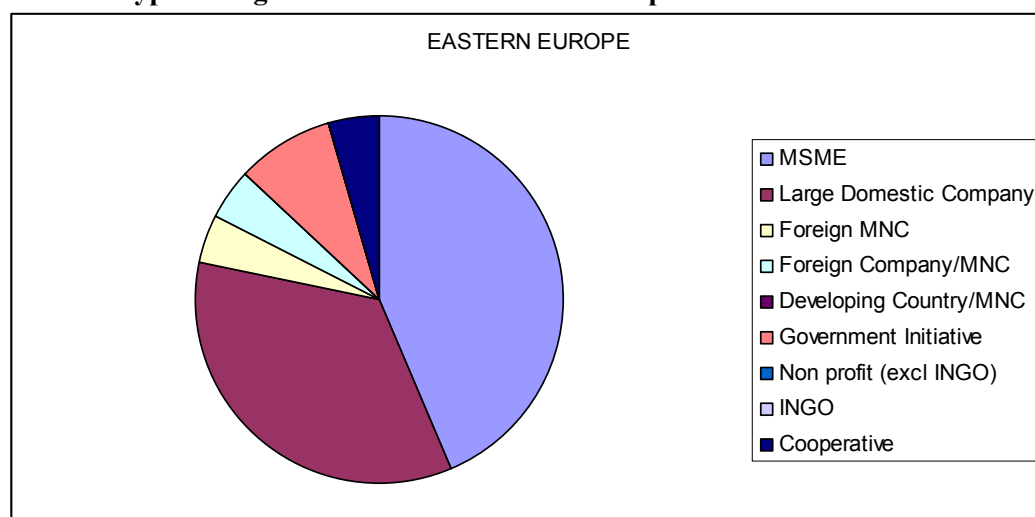
⁸ (i.e. Business Call to Action, WBCSD, IBLF, The Partnering Initiative, Business Action for Africa – *business advocacy organizations & platforms*)

| | |
|---|---|
| Government initiative | A government ownership of lands, streets, public buildings, utilities, and other business enterprises. The theory that all land and its resources belong ultimately to the people and therefore to the government are very ancient. From it comes the doctrine of eminent domain, asserting that the state has ultimate control over lands and buildings within its borders. Many developing countries also have large-scale public ownership, especially of vital industries and resources. Public ownership is to be distinguished from government control of private enterprises in utilities, business, and agriculture. (The free dictionary by Farlex, 2011b) |
| Non-profit organization (excluding INGO) | An incorporated organization which exists for educational or charitable reasons, and from which its shareholders or trustees do not benefit financially. Any money earned must be retained by the organization, and used for its own expenses, operations, and programs. Many non-profit organizations also seek tax exempt status, and may also be exempt from local taxes including sales taxes or property taxes (Investor Words, 2011b) |
| INGO | International non-governmental organization is any international organization that is not founded by an international treaty (Answers.com, 2011) |
| Cooperative | a jointly owned commercial enterprise (usually organized by farmers or consumers) that produces and distributes goods and services and is run for the benefit of its owners (The free dictionary by Farlex, 2011c) |

The results are presented hereafter. In the Table 4, Authors are showing the distribution of inclusive businesses in the Eastern Europe.

Analyzing the Table 3 one can conclude that the inclusive market expanded throughout Europe. It is present in many of the business sectors. The most common's agricultural. Eastern European countries are trying to combat poverty, ensure environmental sustainability, business operations, etc. These countries are trying to help to achieve the Millennium Development Goals as well, particularly in the area of poverty and the preservation of environmental sustainability. The poor are engaged in business as producers, consumers, entrepreneurs and employees. This is followed with the graphical presentation where the types of inclusive businesses in Eastern Europe are shown more precisely in Chart 4.

Chart 4. Type of Organizations in the Eastern Europe



Source: Authors' research

Table 4. Inclusive business in the Eastern Europe

| INCLUSIVE BUSINESS IN THE EASTERN EUROPE | | | | | |
|--|---|--|-------|------------------------|------------------------------|
| COUNTRY | ORGANIZATION | BUSINESS SECTOR | MDG | TYPE OF ORGANIZATION | ROLE OF THE POOR |
| Albania | Edipack | Consumer Products, Waste Management | 1,7 | MSME | Employee, Entrepreneur |
| Armenia | Tufenkian Hotels | Tourism | 1,7 | Large Domestic Company | Producer, Employee |
| Azerbaijan | Gadim Guba | Artisanal Goods, Consumer Products | 1,3,7 | MSME | Employee |
| Belarus | MobileTeleSystems (MTS) | Health Care, ICT | 1,6 | Large Domestic Company | Consumer |
| BiH | Industrijski otpad d.o.o. | Waste Management | 1,7 | MSME | Producer, Employee |
| Croatia | Eco Farm Mavrović Ltd. | Agriculture | 1,7 | MSME | Producer |
| Georgia | Begeli d.o.o. | Agriculture | 1,7 | MSME | Employee, Producer |
| Kazakhstan | Tengizchevroil | Energy (excl renewable energy) | 1 | Large Domestic Company | Entrepreneur |
| Kyrgyzstan | CBT Kochkor | Artisanal Goods, Tourism | 1,7 | MSME | Entrepreneur |
| Macedonia FYR | Tinex | Consumer Products | 1 | Large Domestic Company | Employee |
| Moldova | Rural Finance Corporation (RFS) | Micro-credit | 1 | Large Domestic Company | Entrepreneur |
| Montenegro | Čistoća | Waste Management | 1,7 | Government Initiative | Employee, Entrepreneur |
| Poland | PEC Luban | Biofuels/Biomass, Utilities | 7,8 | MSME | Producer |
| | DTC Tyczyn | Utilities, ICT | 8 | Cooperative | Consumer |
| | Danone | Food & Beverage | 4,8 | Foreign MNC | Consumer |
| Russia | FORUS Bank | Basic Accounts, Micro-credit, Savings | 1,3,8 | MSME | Consumer |
| | Voronezh Oblast State Fund for Small Business Support | Micro-credit | 1 | Government Initiative | Consumer |
| Serbia | Temerin Telecottage | ICT | 1,2,8 | MSME | Consumer |
| Tajikistan | Tojiksodirotbank (TSB) | Agriculture, Micro-credit | 1 | Large Domestic Company | Consumer |
| Turkey | Hey Textile | Consumer Products | 1,3 | Large Domestic Company | Employee |
| Turkmenistan | DBS | Artisanal Goods, Consumer Products | 1 | MSME | Employee |
| Ukraine | Vitmark | Agriculture, Food & Beverage | 1 | Large Domestic Company | Producer, Consumer, Employee |
| Uzbekistan | MARAP GmbH | Agriculture, Food & Beverage, Forestry | 1,7 | Foreign Company/MNC | Producer |

Source: Authors' research

Various types of organizations within an inclusive model exist. The most common of which are MSMEs (43,47 % or 10 out of 23) followed by and Large Domestic Companies (34,78% or 8 out of 23). The following table 5 is concentrated on the region of South Africa.

Table 5. Inclusive business in the Sub Saharan Africa

| INCLUSIVE BUSINESS IN THE SUB SAHARAN AFRICA | | | | | |
|--|----------------------------|--|-----------|------------------------|------------------------|
| COUNTRY | ORGANIZATION | BUSINESS SECTOR | MDG | TYPE OF ORGANIZATION | ROLE OF THE POOR |
| Burkina Faso | IDR | Agriculture | 1,3,7 | Large Domestic Company | Employee |
| Democratic Republic of Kongo | Celtel | ICT | 1,3,8 | Developing Country/MNC | Consumer |
| Ghana | Barclays | Savings | 1,3,8 | Foreign MNC | Consumer |
| | ITFC | Agriculture, Food & Beverage | 1,7,8 | MSME | Producer |
| | Toyola | Fuel Efficient Stoves, Consumer Products | 1,7 | MSME | Consumer |
| | ASTI | Agriculture | 1 | Non-profit (excl INGO) | Producer |
| | Manufacturing Industry | Manufacturing | 1 | MSME | Entrepreneur |
| | ESOKO | Agriculture, ICT | 1 | MSME | Consumer |
| Guinea | Kraft Foods | Agriculture, Food & Beverage | 1,7,8 | Foreign MNC | Producer |
| Kenya | KACE | Agriculture, ICT | 1 | MSME | Consumer |
| | Ecotact | Sanitation | 1,4,7 | MSME | Consumer |
| | Safaricom | ICT | 8 | Developing Country/MNC | Consumer |
| | The HealthStore Foundation | Health Care | 1,3,4,6 | Non-profit (excl INGO) | Consumer |
| | K-REP Bank | Basic Accounts, Micro-credit, Insurance, Savings | 1,3,8 | MSME | Consumer |
| Mali | EDF | Solar Power | 7,8 | Foreign MNC | Consumer |
| | Armor-Lux | Agriculture | 1,2,7,8 | Foreign Country/MNC | Producer |
| | Pésinet | Health Care, ICT | 4,6,8 | Non-profit (excl INGO) | Consumer |
| Mauritania | Tivisky Dairy | Food & Beverage | 1,7,8 | MSME | Producer |
| Mozambique | VidaGas | Energy (excl renewable energy), Health Care | 4,5,6,7,8 | MSME | Consumer |
| Nigeria | Mobah Rural Horizons | Agriculture, Consumer Products | 1 | MSME | Consumer |
| | Olam | Agriculture, Consumer Products, Food & Beverage | 1 | Developing Country/MNC | Consumer |
| | Tetrapak | Agriculture, Food & Beverage, Consumer Products, Health Care | 1,8 | Foreign Country/MNC | Consumer |
| Sub Saharan Africa (SSA) | Sanofi-aventis | Health Care, Consumer Products | 6,8 | Foreign MNC | Consumer |
| Senegal | Chaka Group | Remittances | 1,8 | MSME | Consumer |
| | VEV | Water, Wind | 1,7 | MSME | Consumer, Entrepreneur |
| | Pésinet | Health Care, ICT | 4,6,8 | Non-profit (excl INGO) | Consumer |
| | Adina | Food & Beverage, Consumer Products, Agriculture | 1,3,7 | Large Domestic Company | Producer |
| Južna Afrika | Aspen | Health Care, Consumer Products | 4,5,6 | Developing Country/MNC | Consumer |
| | Amanz' abantu | Water | 1,5,6,8 | MSME | Consumer |
| | Mondi | Waste Management | 1,7 | Foreign Country/MNC | Consumer |
| | Tedcor | Waste Management | 1,7 | MSME | Employee, |

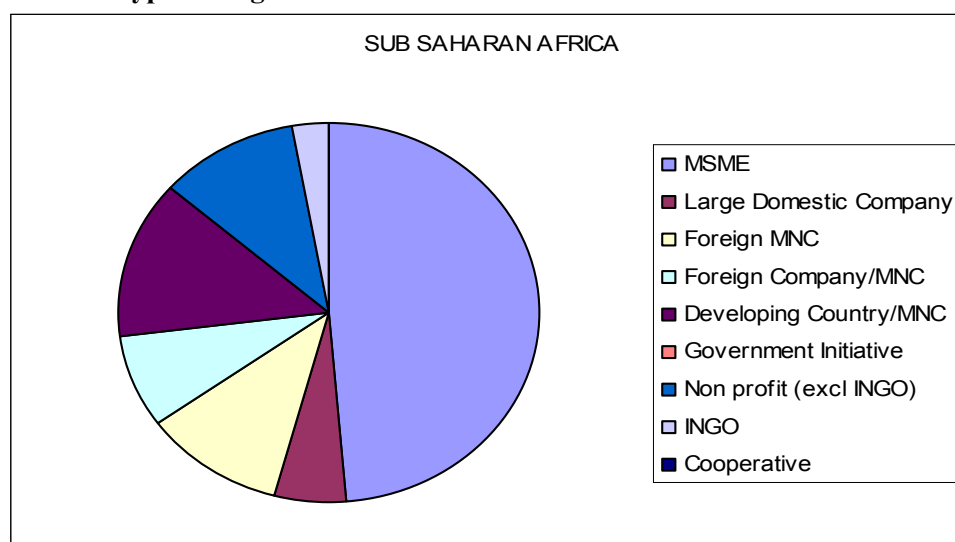
| | | | | | |
|--------|--|--------------------------------------|---------|------------------------|--------------------|
| | | | | | Entrepreneur |
| | Edu-Loan | Micro-credit, Education | 8 | MSME | Consumer |
| | Kuyasa | Solar Power, Housing & Construction | 7 | Non profit (excl INGO) | Consumer |
| | Nedbank & RMB | Micro-credit, Housing & Construction | 8 | Developing Country/MNC | Consumer |
| | Moladi | Housing & Construction | 1,7 | MSME | Employee, Consumer |
| Uganda | Association of Private Water Operators | Water | 3,4,6,8 | MSME | Consumer |
| | MAP International | Basic Accounts | 1 | MSME | Consumer |

Source: Authors' research

According to Table 5, one can see that the number of inclusive organization of Sub Saharan Africa is certainly the largest (37 companies). The business sector covers many areas of agricultural, food and beverage, health care, ICT, etc. They tend to greatly assist the achievement of MDGs, particularly in combating poverty, gender equality, combating different diseases, and ensuring environmental sustainability. Poor people often participate as consumers.

The following Chart 5 presents the distribution of inclusive businesses in South Africa.

Chart 5. Type of Organizations in the Sub Saharan Africa



Source: Authors' research

Looking at Chart 5, MSMEs are again dominated form of inclusive business (48,64% or 18 companies), followed by Developing Country/MNC (13,51 % or 5 companies). The table 6 follows presents the inclusive businesses in the Middle East and North Africa.

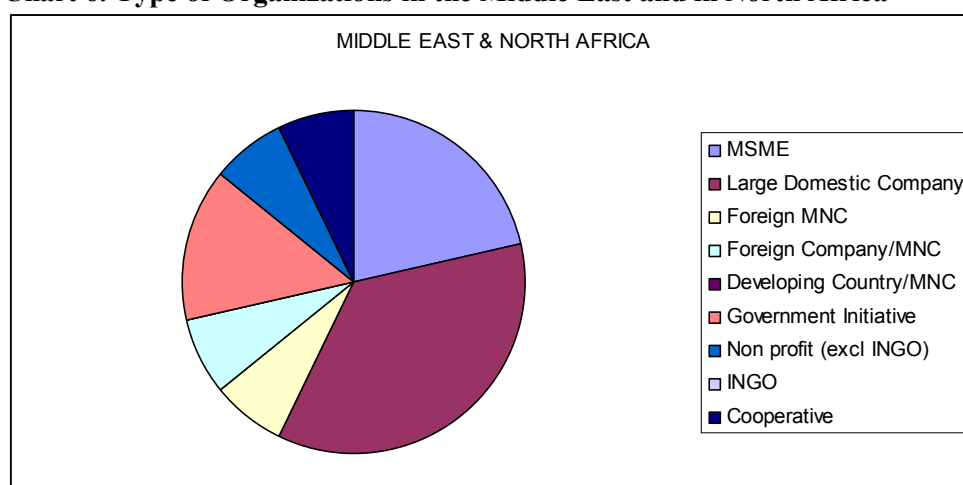
Table 6. Inclusive business in the Middle East and North Africa

| INCLUSIVE BUSINESS IN THE MIDDLE EAST AND IN NORTH AFRICA | | | | | |
|---|---------------------|--|---------|------------------------|------------------|
| COUNTRY | ORGANIZATION | BUSINESS SECTOR | MDG | TYPE OF ORGANIZATION | ROLE OF THE POOR |
| Egypt | Mansour Group | Consumer Products | 1 | Large Domestic Company | Producer |
| | SEKEM | Consumer Products, Agriculture | 1,2,7,8 | Large Domestic Company | Producer |
| | GiroNil | Basic Accounts | 8 | Foreign Company/MNC | Consumer |
| | Orascom | Housing & Construction | 1 | Large Domestic Company | Consumer |
| | SIWA | Tourism, Housing & Construction | 1,3,7,8 | Large Domestic Company | Producer |
| | ADAPT | Housing & Construction | 1,3,7 | MSME | Producer |
| Iran | Saraman | Housing & Construction | 1,7 | MSME | Consumer, Labour |
| | Kandelous Group | Agriculture, Tourism, Consumer Products | 1,7 | MSME | Producer |
| Morocco | LYDEC | Utilities, Energy (excl renewable energy), Water | 1,2,7,8 | Large Domestic Company | Consumer |
| | Maison Energie (ME) | Solar Power | 1,7,8 | Government Initiative | Entrepreneur |
| | TEMASOL | Solar Power | 1,7,8 | Foreign MNC | Consumer |
| | Zakoura Foundation | Energy (excl renewable energy), Micro-credit | 1,3,7,8 | Non-profit (excl INGO) | Entrepreneur |
| | PROMASOL | Solar Power | 1,7,8 | Government Initiative | Consumer |
| Sudan | Blacksmith | Artisanal Goods, Consumer Products, Agriculture | 1 | Cooperative | Entrepreneur |

Source: Authors’ research

Middle East and North Africa are composed of four key countries - Egypt, Iran, Morocco and Sudan, which business sector is mainly concentrated on solar power, housing and construction, and energy. They seek to reduce poverty and implement a global collaboration with the world. Poor people in these organizations are involved as producers, consumers and suppliers.

Chart 6. Type of Organizations in the Middle East and in North Africa



Source: Authors’ research

According to the Chart 6, one can conclude that Large Domestic Companies (35,71% or 5 out of 14), followed by MSMEs (21,42% or 3 out of 14).

Inclusive businesses in East and South Asia are presented in the following table 7 and further down in the Chart No. 7.

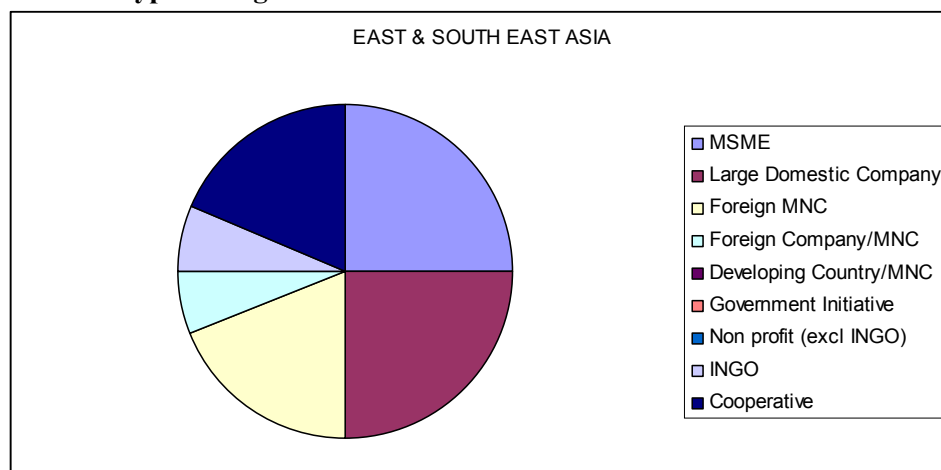
Table 7. Inclusive business in the East and South East Asia

| INCLUSIVE BUSINESS IN THE EAST AND SOUTH EAST ASIA | | | | | |
|--|----------------------------|--|--|------------------------|--------------------|
| COUNTRY | ORGANIZATION | BUSINESS SECTOR | MDG | TYPE OF ORGANIZATION | ROLE OF THE POOR |
| China | Lin'an Taihuyan | Agriculture, Forestry | 7 | Cooperative | Producer |
| | Beijing Shengchang | Biofuels/Biomass, Manufacturing | 1,7 | MSME | Producer |
| | HUATAI | Forestry | 7,8 | Large Domestic Company | Producer |
| | Tsinghua Tongfang | ICT | 2,7,8 | Large Domestic Company | Consumer |
| | FairField Enterprise | Artisanal Goods, Consumer Products | 3 | Cooperative | Producer |
| | Mycro-Hydro | Hydropower | 7 | Cooperative | Consumer, Producer |
| | Fiji | ANZ Bank | Savings, Basic Accounts, Insurance, Micro-credit | 1,3 | Foreign MNC |
| Indonesia | Lafarge | Cement, Housing & Construction | 8 | Foreign MNC | Consumer |
| | Rajawali | Transportation, Micro-credit | 1,8 | Large Domestic Company | Entrepreneur |
| | PPKT | Biofuels/Biomass, Fuel Efficient Stoves, Consumer Products | 1,3,7 | MSME | Producer |
| | Key Coffee | Agriculture | 1 | Foreign Company/MNC | Employee, Producer |
| | Vietnam | Truong Thanh Furniture | Manufacturing, Forestry | 7 | MSME |
| | Mai Vietnamese Handicrafts | Artisanal Goods, Consumer Products | 1,3 | MSME | Producer |
| | Procter & Gamble | Consumer Products, Water | 4,6 | Foreign MNC | Consumer |
| | Mekong Bamboo Consortium | Agriculture, Forestry | 1,3,7 | Non profit (excl INGO) | Producer |
| | MDI | Agriculture, Food & Beverage | 1,7 | Large Domestic Company | Producer |

Source: Authors' research

Analyzing Table 7, one can see that inclusive business in East and South East Asia; include companies in China, Fiji, Indonesia and Vietnam. A variety of business sectors is dispersed such as biofuels/biomass, agriculture, artisanal goods, etc. Companies are trying to foster global collaboration, reduce poverty and achieve the MDGs. Poor populations are mostly involved as producers. From the Chart we can note the distribution of organizations.

Chart 7. Type of Organizations in the East and South East Asia



Source: Authors’ research

Based on data one can note that MSMEs (25% or 4 out of 16) and Large Domestic Companies (25% or 4 out of 16), followed by Foreign MNCs (18,75% or 3 out of 16) and Cooperatives that are equally represented (18,75% or 3 out of 16).

The situation in South Asia is presented in the Table 8 and Chart 8.

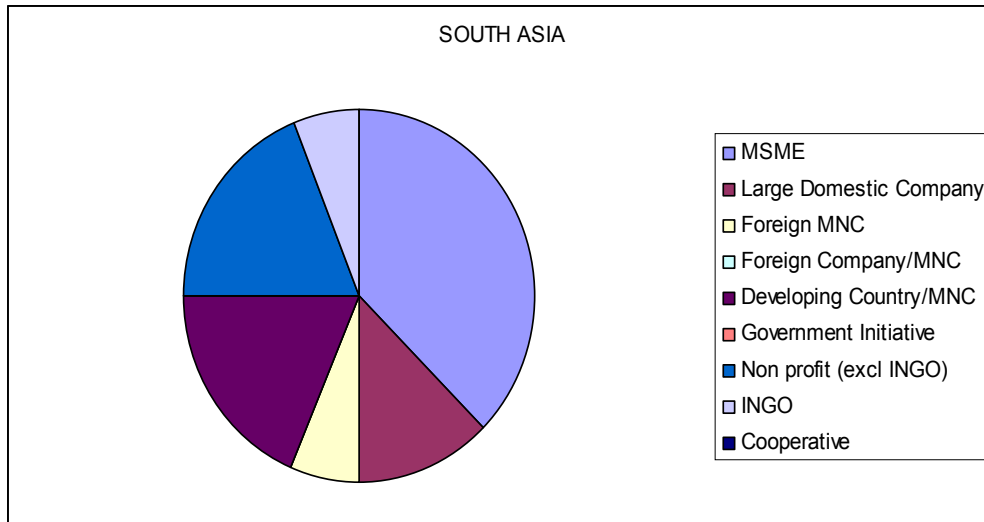
Table 8. Inclusive business in the South Asia

| INCLUSIVE BUSINESS IN THE SOUTH ASIA | | | | | |
|--------------------------------------|--|--------------------------------|---------|------------------------|------------------|
| COUNTRY | ORGANIZATION | BUSINESS SECTOR | MDG | TYPE OF ORGANIZATION | ROLE OF THE POOR |
| Afghanistan | AGMC | Education | 3 | Non-profit (excl INGO) | Consumer |
| Bangladesh | Waste Concern | Waste Management, Biogas | 1,3,7 | Non-profit (excl INGO) | Entrepreneur |
| | Hathay Bunano | Artisanal Goods | 1,3 | MSME | Employee |
| India | New Tirupur Area Development Corporation | Utilities, Water | 1,6,7 | Large Domestic Company | Consumer |
| | BASIX | Financial services | 1,3 | Large Domestic Company | Consumer |
| | Vaatsalya Hospitals | Health Care | 4,5,6 | MSME | Consumer |
| | Reuters Market Light | Agriculture, ICT | 1,8 | Foreign MNC | Consumer |
| | A Little World | ICT | 8 | MSME | Consumer |
| | Sulabh | Sanitation | 1,3,6,8 | Non-profit (excl INGO) | Consumer |
| | Narayana Hrudayalaya | Health Care, ICT | 1,6,8 | MSME | Consumer |
| | SELCO | Solar power | 1,7 | MSME | Consumer |
| Nepal | IDE Nepal | Agriculture | 1,7 | INGO | Consumer |
| Philippines | Manila Water Company | Utilities, Water | 6,7 | Developing Country/MNC | Consumer |
| | Smart | ICT, Remittances | 1,8 | Developing Country/MNC | Consumer |
| | CocoTech | Agriculture, Artisanal Goods | 1,3,7 | MSME | Producer |
| | UNILAB | Health Care, Consumer Products | 6,8 | Developing Country/MNC | Consumer |

Source: Authors’ research

According to the facts presented in Table 8, one can notice that India is ahead of other countries. The ICT and health care are the sectors where inclusive businesses dominate. Poor people in South Asia often participate as consumers, and the countries tend to reduce poverty, to maintain equality between the sexes, preserve the environment, etc. The following Chart presents the distribution of organizations in South Asia.

Chart 8: Type of Organizations in the South Asia

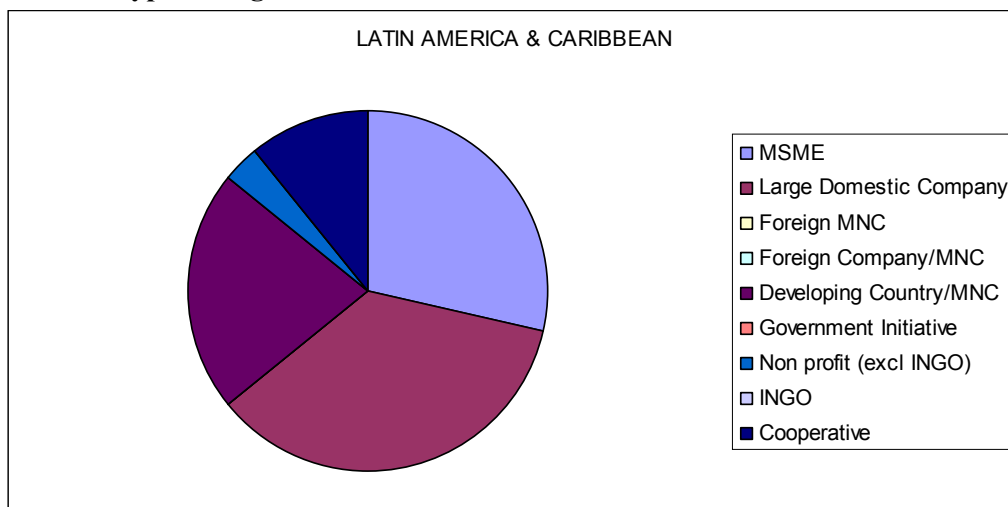


Source: Authors' research

The most common type of inclusive organizations are still MSMEs – 37,5% or 6 out of 16 organizations, and in this area the Developing Country/MNC (18,75% of 3 of 16 organizations) and Non-profit organizations (excluding the INGO) are equally represented (18,75% or 3 out of 16 organizations). At the end, the situation in Latin America and on the Caribbean is presented.

Analyzing the Table 9, one can conclude that Latin America and the Caribbean cover large business and inclusive markets, particularly Colombia, where many businesses operate. With a diverse and numerous business sectors, most prevalent is agricultural. Companies are trying to combat poverty and achieve environmental sustainability, and foster global cooperation with the world. The poor are involved in the business as producers, consumers, entrepreneurs and employees.

Chart 9. Type of Organizations in the Latin America and on the Caribbean



Source: Authors' research

Table 9. Inclusive business in the Latin America and on the Caribbean

| INCLUSIVE BUSINESS IN THE LATIN AMERICA AND ON THE CARIBBEAN | | | | | |
|--|-----------------------------------|--|---------|------------------------|------------------------------|
| COUNTRY | ORGANIZATION | BUSINESS SECTOR | MDG | TYPE OF ORGANIZATION | ROLE OF THE POOR |
| Bolivia | SINTESIS | Micro-credit, ICT | 1,2,8 | MSME | Consumer |
| Brazil | Votorantim Celulose e Papel (VCP) | Micro-credit, Forestry | 1,7 | Large Domestic Company | Producer |
| | Sadia | Biomass, Agriculture | 1,7,8 | Developing Country/MNC | Producer |
| | Natura's Ekos | Consumer Products, Agriculture | 7,8 | Developing Country/MNC | Producer |
| Columbia | Juan Valdez Coffee Shops | Food & Beverage, Agriculture | 1,3,8 | Developing Country/MNC | Producer |
| | Carulla Foundation | Education | 2 | Large Domestic Company | Consumer |
| | Amichoco | Mining | 1,7 | Non-profit (excl INGO) | Producer |
| | Cemex | Housing & Construction, Micro-credit | 1,7 | Developing Country/MNC | Consumer |
| | Pavco S.A.- Colpozos | Agriculture, Water | 1,7 | MSME | Consumer |
| | Indupalma | Agriculture | 1,7 | Large Domestic Company | Entrepreneur |
| | PELDAR | Waste Management | 1,7 | MSME | Entrepreneur |
| | Compañía Nacional de Chocolates | Agriculture | 1 | Large Domestic Company | Producer |
| | Hugo Restrepo y Cia | Agriculture | 1 | MSME | Producer |
| | Natura Colombia | Consumer Products | 1,3,7 | Developing Country/MNC | Entrepreneur |
| | Empresa Publica de Medellin (EPM) | Energy (excl renewable energy), Utilities | 1 | Large Domestic Company | Consumer |
| Guyana | Denmor Garment Manufacturers | Manufacturing, Consumer Products | 1,3 | MSME | Employee |
| Mexico | Construmex | Housing & Construction, Remittances | 1,8 | Developing Country/MNC | Consumer |
| | Amanco | Agriculture, Water | 1,7 | Large Domestic Company | Consumer |
| | PETSTAR | Waste Management | 1,3,7,8 | Large Domestic Company | Producer |
| Peru | Mibanco | Micro-credit, Basic Accounts, Savings, Remittances | 1,3 | Large Domestic Company | Consumer |
| | Aguaytía Energy | Biofuels/Biomass, Biogas | 1,3,8 | MSME | Producer, Consumer |
| | PERHUSA | Agriculture, Food & Beverage | 1,3,7,8 | Cooperative | Producer, Employee, Consumer |
| Central America | DINANT | Agriculture, Food & Beverage | 1,7,8 | Cooperative | Producer, Consumer |
| | WAL-MART | Agriculture, Consumer Products, Food & Beverage | 1,3,7,8 | MSME | Employee, Producer, Consumer |
| Trinidad and Tobago | Mt. Plaisir Estate Hotel | Tourism | 1,7 | MSME | Producer |
| Ecuador | COLINEAL | Manufacturing, | 1,7,8 | Large Domestic | Producer, |

| | | | | | |
|--|----------|------------------------------|-------|------------------------|---------------------|
| | | Artisanal Goods | | Company | Entrepreneur |
| | PRONANCA | Food & Beverage, Agriculture | 1,7,8 | Large Domestic Company | Producer, Consumer |
| | Toni SA | Food & Beverage | 1,3,8 | Cooperative | Producer, Consumer, |

Source: Authors' research

As seen from the table and accompanying Chart 9, this area is dominated by Large Domestic Companies (35,71% or 10 out of 28), MSMEs (28,57% or 8 out of 28) and Developing Country/MNCs (21,42% or 6 out of 28).

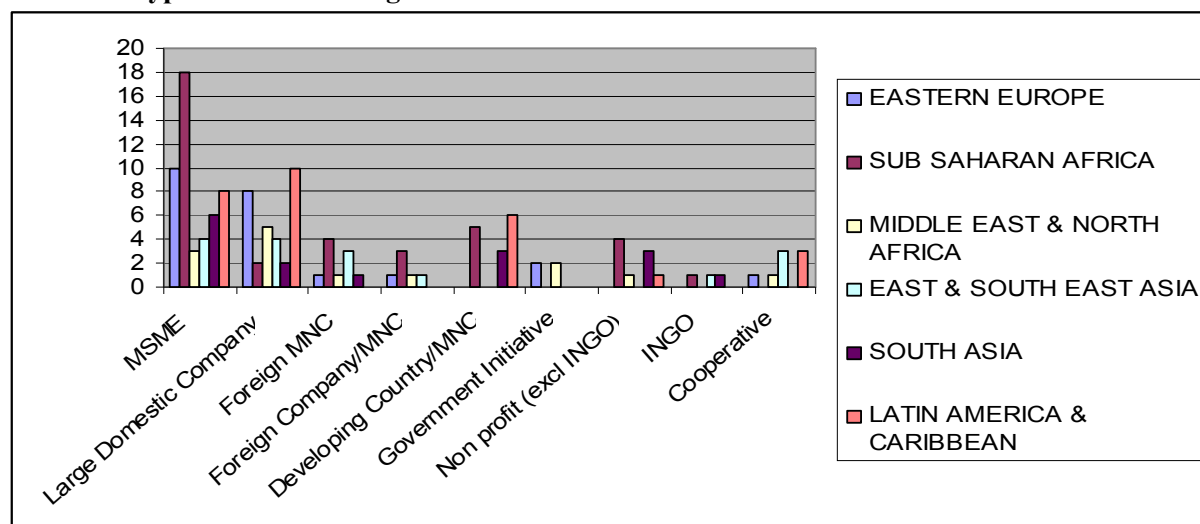
To bring the curtain down, authors decided to present a holistic picture within which the global distribution of different types of inclusive business organizations will be shown (Table 10).

Table 10. Inclusive Markets in the World by Type of organization

| TYPE OF ORGANIZATION | EASTERN EUROPE | SUB SAHARAN AFRICA | MIDDLE EAST & NORTH AFRICA | EAST & SOUTH EAST ASIA | SOUTH ASIA | LATIN AMERICA & CAREBBEAN | Total |
|------------------------|----------------|--------------------|----------------------------|------------------------|------------|---------------------------|-------|
| MSME | 10 | 18 | 3 | 4 | 6 | 8 | 49 |
| Large Domestic Company | 8 | 2 | 4 | 4 | 2 | 10 | 30 |
| Foreign MNC | 1 | 4 | 1 | 3 | 1 | | 10 |
| Foreign Company/MNC | 1 | 3 | 1 | 1 | | | 6 |
| Developing Country/MNC | | 5 | | | 3 | 6 | 14 |
| Government Initiative | 2 | | 2 | | | | 4 |
| Non-profit (excl INGO) | | 4 | 1 | | 3 | 1 | 9 |
| INGO | | 1 | | 1 | 1 | | 3 |
| Cooperative | | | 1 | 3 | | 3 | 7 |

Source: Authors' research

Chart 10. Type of Inclusive Organizations in the World



Source: Authors' research

As presented in the Table 10 and the Chart 10 it is visible that the inclusive market is very widespread worldwide and is growing. At the same time on these markets various forms of inclusive organizations are running their business. MSME are spread all over the world, and are the most common form of inclusive business organization. Majority of them can be found in Sub Saharan Africa (18 out of 49) and in Eastern Europe (10 out of 49). They are immediately followed by Large domestic companies. 30 of these kinds of organizations can be found spread worldwide. Latin

America and the Caribbean (10) are the regions where majority of the mentioned companies operate but, they can also be found in Eastern Europe (8). Developing Country/MNC is also a common form of inclusive business organization which can mostly be found in Latin America and Caribbean (6) and in Sub-Saharan Africa (5). Other organizations are less spread in the world as for example Non-profit (excluding INGO), Foreign MNC and Foreign Companies/MNC. Non profit (excluding INGO) organizations can mostly be found in Sub-Saharan Africa and South Asia. Foreign MNC can be found in Sub Saharan Africa. Foreign Company MNC are distributed mainly in Sub-Saharan Africa. Government initiatives exist in Eastern Europe and in the Middle East as well as in North Africa. Most of the co-operatives are spread in Latin America and the Caribbean. International non-governmental organizations (INGO) are slightly distributed worldwide. Only few of these organizations can be found in sub Saharan Africa, East and South East Asia and South Asia. Generally, it can be concluded that the market for inclusive business is not small at all. In the world, we can find 132 inclusive business organizations operating through various models and in different sectors. Majority of them are present in the Sub Saharan Africa (37 companies), Latin America and the Caribbean (28 companies), and in Eastern Europe (22).

6. CONCLUSION

The challenge of inclusive business is spreading around the world. Although the rate of growth of this business models is not huge, it is important to note that the number is not inconsiderable. Inclusive business means doing the business in a new way through recognition and implementation of new inclusive business models. IFC proposed seven models, but that is not the final number. The organization can develop its own model of inclusivity as long as it follows the main principles and strategies of inclusive business operations. The bottom of the pyramid strategy is the most recognized strategy and the one proposed to organizations that want to become inclusive. The strategy highlights the need to: 1) adapt products and processes, 2) invest in removing market constraints, 3) leverage the strenghts of the poor, combine resources and capabilities with others and 4) engage in policy dialogue with government. There are several ways the strategy can be effectively implemented. Organizations should: 1) familiarize themselves with 4 billion people living at the bottom of the pyramid, 2) manage and understand relationships within and around the activity (the Stakeholder cycle method), 3) bear in mind the stakeholder thinking process, 4) use different publicly-available tools and resources.

According to the research results 132 organizations worldwide operate following some of the inclusive models. Mainly, when talking about regional distribution of these organizations, majority of them operate in Sub Saharan Africa (37 companies), Latin America and the Caribbean (28 companies), and in Eastern Europe (22). There are several types of organizations amongst which MSME are widely spread, followed by Large Domestic Companies and Developing Country/MNC. They have been running various projects worldwide with the aim of contributing to achievement of Millennium Development Goals which were defined in 2000. In this way they are including low income communities in their value chain and firstly, do contribute to poverty alleviation.

Analyzing the existing inclusive organizations, it can be noted that their businesses cover various business sectors, of which the most notable is agricultural, followed by the ICT, food and drinks, artisanal goods, health care, consumer products, energy, bio-fuels, housing and construction, micro-credit, etc.. Various stakeholders included in the business in various sectors are contributing to the advancement of poor countries and populations, and also the alleviation of poverty, and ultimately the global collaboration. Business sectors are those which are essential along with inclusive organizations in promotion and the realization of the Millennium Development Goals as well as the improvement of the living conditions of populations around the world.

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