



## Innovation in a crisis

# Private sector strategies for development: access, competition and engagement in a downturn.

Meeting one - January 20<sup>th</sup> 2009

### Speakers

Parliamentary Under-Secretary of State, Mike Foster MP, launching DFID's Private Sector Development Strategy

### Panel:

- **Ann Grant**, Vice Chair Standard Chartered Bank, speaking on **corporate engagement** in good business, and the implications of the downturn.
- **Dame Barbara Stocking**, Chief Executive of Oxfam, speaking on **access to markets** by the poor and how these are affected by the downturn.
- **His Excellency Claver Gatete**, Rwandan Ambassador to the UK, speaking on the challenge of creating **competitive markets** and the implications of the downturn.

**Chair:** **Simon Maxwell**, Director, Overseas Development Institute

These are challenging times for private sector development in developing countries. The downturn puts jobs, profits and poverty reduction goals at risk. It questions old assumptions about the public-private division of responsibilities in delivering growth and development.

But pressure leads to innovation. Just as the public sector is adapting its role in supporting business, so we may have to reconsider how private sector firms can best play their roles in spurring growth and contributing to development.

How will the economic downturn affect progress? Some reversals seem inevitable: sales and jobs lost for poor entrepreneurs and workers as markets and access to finance are diminished; multinationals focusing more on necessities of survival leaving less time to build contributions to development; developed and developing countries under pressure to increase regulation and trade barriers in an effort to protect domestic markets from competition.

But in this context it is all the more important to seek out opportunities. Opportunities to engage the poor in competitive markets as suppliers, consumers and entrepreneurs remain to be taken. Corporate investments in responsible business practice become potentially ever more rewarding at a time when their workers, suppliers and consumers in the South need it most. Pressure on corporate resources will encourage an even greater focus on harnessing core business - rather than CSR-based approaches - to deliver more sustainable development impacts. Despite protectionist lobbying, governments will also face pressures to strengthen the investment climate for business through better regulation, taxation and competition policies. Synergies of interest will be thrown into sharp relief:

where interests between business, government and development actors are aligned; where what's good for the bottom line is good for development.

**The first meeting in this series does four things:**

1. It launches DFID's Private Sector Development Strategy
2. It brings perspectives from leading business, Southern government and civil society representatives on how the downturn is affecting and will affect private sector development.
3. It defines and explores each of the three themes of private sector development: access to markets for the poor, the development of competitive markets, and the engagement of the businesses to strengthen their development impact.
4. It launches the 2009 meeting series and stakeholder dialogue around it.

**ACE themes in DFID's Private Sector Development Strategy**

- Working to improve **Access** to economic opportunities by the poor – as consumers, suppliers and as entrepreneurs.
- Working to develop fair, **Competitive** markets – that reward hard work, new investment and the entrepreneurial spirit
- **Engaging** with private sector companies - from multi-nationals to stall holders - to help achieve the Millennium Development Goals.

**Questions for discussion**

1. Where does the role for business begin and end in the development landscape?
2. How will the downturn affect corporate engagement with responsible business, and what innovative forms of engagement are needed in response?
3. As economic contraction constrains the access to markets of poor producers and consumers, what can government, business and civil society do to mitigate the squeeze and help them exploit new opportunities?
4. As the orthodoxy swings back from free market competition to renewed regulation, what impact will this have on the approaches of developing country governments to establishing competitive markets that support long term growth and development?

**For further information visit:** [For further information visit: www.events.businessfightspoverty.org](http://www.events.businessfightspoverty.org)

Overseas Development Institute, Business and Development Programme: [www.odi.org.uk/bdp](http://www.odi.org.uk/bdp)

Business Action for Africa: [www.businessactionforafrica.org](http://www.businessactionforafrica.org)

Department for International Development and the Private Sector Development Strategy: [www.dfid.org.uk](http://www.dfid.org.uk)

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