

## Sustainable Livelihoods

### Context

Poverty remains one of the biggest challenges to sustainable development. The way businesses respond to this challenge, and their ability to generate wealth and opportunities, will prove crucial in the long term.

**Facts and trends:** At the beginning of the 21<sup>st</sup> century our world is one of contrasts. Global wealth (GDP) per capita has steadily increased in the last decade, yet nearly half of the world's population lives on less than two USD per day. Moreover demographic trends indicate that the world population will reach 9 billion by 2050 – with the developing world being home to over 85% of people.

**“Development is good for business and business is good for development”**

Ian Johnson, World Bank.

**The global commitment:** In September 2000, 189 countries agreed to meet the Millennium Development Goals (MDGs) – an unprecedented commitment to halve poverty by 2015.

**The business opportunity:** Through an inclusive business approach, the developing world can constitute the workforce, the suppliers and the markets of the future. However, this will require significantly more effort to develop both the regulatory and physical infrastructure for a stable and attractive investment environment.

WBCSD members can realize this untapped business opportunity, while demonstrating that thriving markets can accelerate development.

### 2005: A key year – to make a difference.

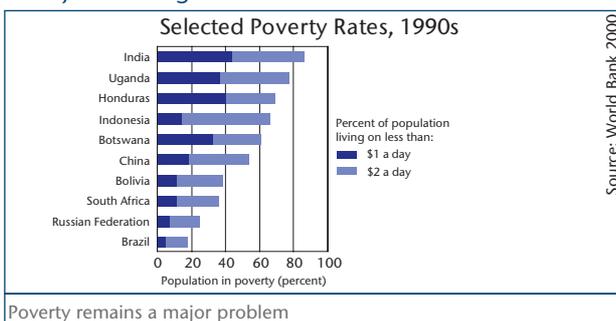
- The UN is convening the MDGs + 5 conference to plot progress against the goals.
- Pressure to conclude the **Doha Development Round** could unlock trade access for the developing world.
- The year has started with an **unprecedented wave of publicity** about the need to relieve debt and step up Overseas Development Assistance.
- The **G8 presidency sees poverty as a priority** along with climate change – a debate which increasingly concerns the developing world and its supply of energy for growth.

### The business case

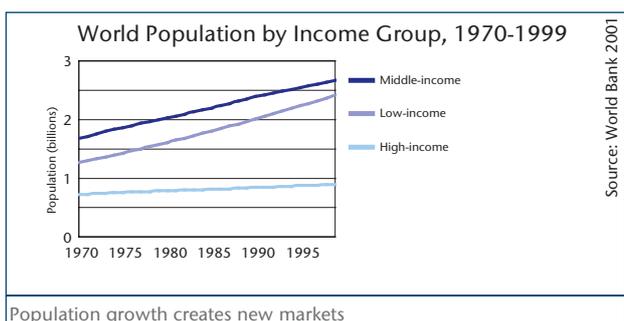
**Business solutions for development:** Business can take a leading operational role in the provision of basic needs such as water, sanitation, energy, housing, health care and communication services. Business can foster appropriate technologies, financial solutions and the resources needed to deliver change on the ground. Fulfilling these basic needs improves the quality of life, and is a precursor to wealth creation.

**Making markets work for all:** By generating wealth and new opportunities, business drives the cycle of growth. Future growth must come to a large extent from emerging markets, and business has every interest in ensuring the creation of a positive investment climate everywhere. Business cannot succeed in a society that fails. Creating “tomorrow’s markets” will enable companies to maintain their license to operate, innovate and expand their operations profitably.

### A major challenge ...



### ... yet an opportunity for all



## The WBCSD response

As a group of leading companies, WBCSD members are looking to work within a new mindset, beyond corporate philanthropy, to **build inclusive business models that create new revenue streams whilst serving the needs of the poor through profitable commercial operations**. The solution can lie in the nature of a product or service, or in the way in which it is delivered and how the supply chain is developed.

### The WBCSD is seeking to:

- **Learn by sharing** – delivering tools and guides that advance our understanding of common challenges and enable all sectors to address the opportunities
- **Advocate the business contribution** – articulating how business can work in partnership with governments and other stakeholders and by creating synergies between Official Development Assistance and Foreign Direct Investment
- **Learn by doing** – demonstrating success through pilot investments on the ground and exploiting synergies across business sectors in economic clusters

## Scope of the program

As the flagship of the WBCSD's development and business theme, it sets the vision for many sectors and for strands of other WBCSD project activity.

Examples of member activities:

- **ABN AMRO, Deutsche Bank and Rabobank** enabling microfinance
- **Shell, BP, EDF, ABB, Eskom** delivering energy services to informal settlements
- **Vodafone, Oracle, HP** bringing ICT solutions to enable livelihoods
- **Unilever, GrupoNueva, P&G, Coca-Cola, Anglo American, BHP Billiton, DaimlerChrysler, Skanska** building SMEs through the supply chain
- **Suez, Veolia** delivering clean water
- **DuPont, Dow** creating agricultural markets
- **Holcim, Cemex** creating affordable housing

## Key events in 2005

February 2005 – UNEP Energy for Development, Nairobi

April 2005 – 13<sup>th</sup> Session of the UN Commission on Sustainable Development, New York

July 2005 – NEPAD Business Group – Pre G8, London

September 2005 – MDGs + 5, New York

October 2005 – Eradicating Poverty through Profit, Frankfurt

## Key messages

- Business is part of the solution.
- Development is a business opportunity.
- There are three priorities for action to make tangible change to the business environment:
  - > Improve regulatory and legal frameworks
  - > Build local supply chains
  - > Invest in infrastructure – with market mechanisms to recover operational costs

## Further reading

*Doing business with the poor – a field guide (2004)*

*Finding capital for sustainable livelihoods businesses (2004)*

*A business guide to development actors (2004)*

*Regional perspectives (2005)*

Forthcoming 2005

*Business contribution to the MDGs*

*Sustainable production and consumption*

*Framework conditions*

*SMEs as business partners*

*Video Library / Newsletter*

## Program structure and resources

### Co-chairs

Reuel Khoza (Eskom), John Manzoni (BP), Julio Moura (GrupoNueva)

### WBCSD member companies and regional partners

3M, ABB, ABN AMRO, adidas-Salomon, Alcoa, Anglo American., Aracruz Cellulose, BHP Billiton, BP, Caterpillar, Cemex, ChevronTexaco, Cimpor, Coca-Cola, ConocoPhillips, Dell, Deloitte, Deutsche Bank, Dow, DuPont, EDF, Energy Holding, Eskom, Hoffman La Roche, GrupoMSA, GrupoNueva, Heidelberg Cement, HP, Holcim, Italcementi, Johnson&Johnson, Kajima, KPMG, L'Oreal, LG, MeadWestvaco, Michelin, Nokia, Novo Nordisk, Oracle, Panama Canal Authority, PwC, P&G, Rabobank, Retec, Rio Tinto, Rohm&Hass, Shell, Phillips, SC Johnson, Siam Cement, Severn Trent, Skanska, Sonatrach, Sony, Statoil, Stora Enso, Strategic Environmental Management, Suez, SwissRe, Syngenta, Toyota, Unilever, Veolia, Vodafone, Volkswagen and regional partners in Argentina, Bolivia, Brazil, Canada, Colombia, Costa Rica, Croatia, Czech Republic, Ecuador, El Salvador, Guatemala, Honduras, Kazakhstan, Mexico, Mongolia, Nepal, New Zealand, Nigeria, Norway, France, Paraguay, Peru, Portugal, Spain, Sri Lanka, Taiwan, Thailand, USA, Venezuela

### Project manager

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### Website

[www.wbcsd.org/web/sl.htm](http://www.wbcsd.org/web/sl.htm)



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