



Media Release
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Businesses in southern Africa look at how their core business can boost pro-poor development

Businesses in southern Africa are looking at how to increasingly include low income groups in their business activities thereby improving the livelihoods of the poor. They agreed to develop recommendations on how best to do this during a workshop on *Business Development at the Bottom of the Pyramid*. More than 20 business leaders from Angola, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe participated in the workshop in Midrand, South Africa, on 11 and 12 May 2011. It was hosted by the Southern Africa Trust and supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German government.

Regional economic integration in the Southern African Development Community (SADC), including through easier cross-border business activities, connects small national markets thereby offering tremendous potential for low income groups to become more strongly involved in the regional economy. To tap this potential, stronger tripartite relations among businesses, governments, and civil society groups are necessary in the SADC region. This was the shared sentiment of the participants.

The recommendations that emerged from the workshop will be discussed with the SADC secretariat.

Aimed at promoting growth that works to reduce poverty through business development among low income groups, the meeting emphasized the need for a change in the mindset of the private and public sectors. It underscored the importance of businesses learning more about 'bottom of the pyramid' (BoP) markets as a means to promote sustainable development.

"The BoP-approach is not about charity but about realizing that targeting low income groups as producers, distributors or consumers will ultimately benefit both the company and poor people," emphasized David Graf from GIZ.

"There is huge purchasing power and opportunity to work with the poor if you adapt things to local demand," said Professor Wolfgang Thomas of the University of Stellenbosch. He urged the business community to look deep enough to see how innovative and creative small businesses are in the region.

Endorsing this point of discussion, Hollard South Africa gave insight into their ways of addressing the poor and adapting their products accordingly to deliver small-scale housing insurance.

Harmonization and simplification of customs procedures across the region was seen as an important factor to promote trade and the free movement of goods, services and people across the region. The

workshop looked at examples of pro-poor solutions to business constraints in the region. Access to finance for entrepreneurs, improved licensing systems, and simplified trade regimes for small-scale traders were discussed.

Prega Ramsamy, Head of the Business for Development Pathfinder at the Southern Africa Trust pointed out that "building multi-stakeholder relations to end poverty, including between businesses, governments, and civil society groups, is the first step towards the success of the regional integration agenda which will make for a much improved business environment in southern Africa".

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