BUSINESS, SUSTAINABILITY, AND THE BOTTOM OF THE PYRAMID

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The 1972 publication of *Limits to Growth* sent a shock wave through those sectors of the industrialized world where people were concerned about human society and its environment. It attracted a variety of reactions, but prominent among them was a mushrooming interest in what came to be called “sustainability,” an interest that was amplified by the report of the Brundtland Commission in 1987. That interest brought with it a sense that widespread and fundamental changes in societal arrangements were necessary if a durable place for human habitation was to be recovered on earth. Those sharing that conviction warned that the kinds of changes needed were likely to be resisted by many with vested interests, and those interests were especially strong in the profit-driven corporate and business sector that was doing quite well in the setting of existing arrangements (see, e.g., Brown 1981, 318-326). Sustainability and business interests were seen as sources of potential, and even likely, conflict.

It is hard not to think that the warnings were well founded. A 2002 report from the UN Environment Program observed that “the majority of companies are still doing business as usual” (UN News Centre 2002). Twelve years later, Naomi Klein (2014) maintained that in fact big business not only continues to exploit the natural environment, it has also managed to co-opt environmental movements in its continuing resistance to reforms that would protect the environment from destructive externalities.

It would be a mistake, however, to overlook significant attempts that began as early as the 1980s and continued into the current century to incorporate principles of sustainability into the practice as well as the study of business. This chapter centers on one of those attempts: an approach
focusing on what is known as the “Bottom” or “Base of the Pyramid” (BoP). I will outline the program as it has developed as a sustainability response from the world of business and business scholarship. Before undertaking an assessment of BoP from several perspectives, considering its applicability as a sustainability initiative. I will begin by locating the BoP program in the business response to the call for sustainability.

The Business Response to Sustainability

First responses from the business community to the call for sustainability were clearly focused on the environment. A key figure in the early business recognition of a need for sustainability was American activist, environmentalist, and entrepreneur Paul Hawken. His background as civil rights activist, promoter of small business, ecological business entrepreneur and author led to a 1993 book aptly titled: *The Ecology Of Commerce: How Business Can Save The Planet*. Ray Anderson, celebrated innovator in sustainable business modeling, credited that book with inspiring the radical shift that took place in his multi-national flooring business, Interface. In 1999, Hawken partnered with environmentalists Amory and Hunter Lovins to publish *Natural Capitalism: Creating the Next Industrial Revolution*, a book championing the recognition of “natural capital” and full cost accounting for services from the natural environment. The book’s message that business could harmonize decreased environmental impact with profitability made a great impression on national leaders as well as practitioners and business educators.
A parallel movement developed in the 1990s under the title of “The Triple Bottom Line” (TBL), a term coined in 1994 by John Elkington, founder of British consultancy SustainAbility. His contention was that the standard “bottom line” of economic gain (“Profit”) must be accompanied by equally careful calculation of social (“People”) and environmental impacts (“Planet”) if a business is really determining its net impact. Elkington’s publication of Cannibals with Forks: The Triple Bottom Line of Twenty First Century Business (1997) helped popularize the approach with businesses, consulting groups and management studies. The TBL concept echoed the “natural capital” idea in maintaining that paying attention to environmental and social effects could actually increase profitability. Both conceptions of sustainability as a business imperative had an impact on the broad notion of “Corporate Social Responsibility” (CSR) movement that entered the vocabulary of business scholarship in the 1960s, but flourished in the 90s and into the current century. At least some consideration of social and environmental impacts were increasingly considered essential by both participants in and observers of business practice, though it must be admitted that such considerations could sometimes seen as much as “greenwashing” and marketing as genuine commitments to the underlying values.

These responses dominated business responses to the call for sustainability that multiplied in the late 20th and early 21st centuries, along with programs with titles such as “Natural Step,” “Eco-efficiency” and “green entrepreneurship.” Although this family of initiatives included consideration of social sustainability, it is fair to say that the main concentration was on environmental impact. The prevailing concept was that commerce could not continue to disregard the ecological costs of business as usual, but – and this was central – taking seriously
impacts on the environment could actually create opportunity for additional profit. There was a concern that business should take into account harms to people and the social fabric as well as the environment (e.g. Hawken 1993, 1). But a market-based system, with profit incentives driving innovation, was firmly embraced and enthusiastically endorsed as the best mechanism for achieving environmental sustainability (Caradonna 2014, 168-172).

A ground-breaking business initiative was launched in 2002 that was equally rooted in market capitalist assumptions but shifted its focus to the social dimension of sustainability. A publication appeared in the influential Harvard Business Review titled “Serving the Poor, Profitably.” The publication seized on a term coined by Franklin Roosevelt in a 1932 radio address, where he referred to “the forgotten man at the bottom of the economic pyramid” (Roosevelt 1938, 624). Rather than viewing those at the bottom of the pyramid (BoP) as in need of aid, however, business scholar C.K. Prahalad and others, such as sustainability scholar Stuart Hart and entrepreneur Al Hammond, saw those in the BoP as potential beneficiaries from a process that would at the same time generate significant profit for corporations. The idea immediately struck a responsive chord. C.K. Prahalad filled out the argument in a 2004 book the title of which summarized its thesis: The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits. This launched a sustainability response from business on which I focus in this chapter.

Business and the Bottom/Base of the Pyramid
The BoP program shift from environmental degradation to entrenched poverty retained the fundamental commitment to a market solution: the poor, it contends, can be lifted from hardship by inclusion in capitalist markets.

The central proposition of Prahalad’s BoP approach is that businesses can tap large potential markets, and simultaneously help alleviate poverty, by seeing things “through a new lens of inclusive capitalism” (Prahalad and Hart 2002, 1). An essential element in this proposal is the principle that poverty is deeply rooted in a lack of access to the market system that brings such benefits to the richer parts of the world. A further conviction is that the poor would welcome the opportunity to enlarge their market participation, and with it their welfare. Rather than being viewed as helpless victims in need of charity, the poor should be seen – Prahalad and his associates insisted – as eager potential participants in globalized markets, first as consumers currently frustrated by lack of access to goods they need and want, but also as entrepreneurs unsatisfied with their existing access to markets. This way of seeing things, it was argued, opens the door not only to profitability for companies doing business with the poor but improved welfare for the poor themselves.

Prahalad identified the BoP as those earning $2 per day or less (purchasing power parity rates for 1990), a population he reckoned to number more than four billion. It is the sheer size of this potential market that Prahalad appealed to as creating its great potential. Markets in the richer parts of the world are close to saturation with many goods and services, but the BoP are severely
under-served by the corporations that ignore the vast numbers of prospective customers in the poor parts of the world.

Prahalad clearly regarded multi-national corporations (MNCs) as the principal prospects for engaging with the BoP market. (It must be noticed that many of his examples of innovation actually came from traditional development sectors such as cooperatives, NGOs, microcredit schemes, and local businesses.) For MNCs to penetrate as they should, he argued, would require a change in mindset on several topics; but with that change MNCs could expect to do very well in those markets, at the same time benefitting their customers. Those changes in outlook, he insisted, must be dictated by the circumstances of those in the BoP, whose location and habits as well as their meagre resources differ markedly from the richer clientele normally served by MNCs. Accordingly, technology must be blended with attention to locale and customs to offer products that are a match for what markets in those circumstances will provide a demand for.

Smaller package sizes, products formulated to accord with differences in such things as access to water, and other adaptations to the circumstances of the BoP are essential. Research will be vital in discovering both what will be attractive in those circumstances and how to market it in the evolving circumstances of its potential customers. Alliances and decentralized supply chains will need to be developed out of recognition that many of the BoP are in comparatively remote areas, and markets are involved in dynamic social systems. MNCs will also have to adjust their thinking about profitability. Lower margins per unit will have to be accepted, and profit looked for in volume of business. Prahalad included a number of case studies he suggested illustrated his thesis.
Publication of the idea brought an enthusiastic reaction from the public press – *The Economist* listed *The Fortune at the Bottom of the Pyramid* among the best business and economics books of 2004. Public figures and government officials were equally warm in their reception. Bill Gates and US Secretary of State Madeline Albright were among those who praised the book and endorsed its program.

The concept of the “bottom” or “base of the pyramid” quickly became a staple of business discussions concerning poverty. In business circles it became the standard way of referring to the population at the extreme of poverty, as well as representing a way of dealing with their plight. The paradigm also had an immediate effect international as well as national policy. The highly influential UNDP Commission on the Private Sector and Development immediately included Prahalad in its membership, and his influence in the commission was evident. The introduction to the commission’s report to the Secretary General of the United Nations included the statement, “[t]his report highlights many instances of large companies that have targeted bottom-of-the-pyramid markets and developed products and processes to serve the poor profitably or to operate sustainably in very challenging environments” (Commission on the Private Sector and Development 2004, 9). The report was built on an advocacy of private sector, market solutions for poverty, noting quite candidly the opportunities for profit taken to exist there for multinational companies. “As today’s advanced economies become a shrinking part of the world economy, the accompanying shifts in spending could provide significant opportunities for global companies” (Commission on the Private Sector and Development 2004, 30). At the same time,
as BoP discourse insists, the commercial activity of these large corporations seen as a device for bringing economic growth as well as added product choices for the poor and lower prices (Commission on the Private Sector and Development 2004, 8).

The BoP paradigm simultaneously came to dominate academic discussions of the relations between business and conditions of poverty; in fact, the word “poverty” in management circles was largely replaced by “BoP.” This central impact was soon evident in the curriculum and courses offered by business schools. The University of Michigan created a unit called “The Base of the Pyramid Initiative,” and Harvard quickly led many business schools in offering courses in “Business at the Base of the Pyramid.” From its inception in 2009, “Oikos,” an important international student organization which hosts an annual “Young Scholars Development Academy” for PhD students, stated in its call for applications: “Research on inclusive business models, market development and sustainability at the Base of the Pyramid (BoP) is a promising and challenging field for young researchers and PhD students.”

Early BoP literature included some debate about the appropriate income figure to be used in identifying the population and the actual numbers and potential market to be found there (Karnani 2007c). This led some who saw promise in the approach to suggest that attempting to fix a precise figure as the definition was a mistake, especially given the multi-faceted nature of poverty. Instead, they proposed that the BoP population be recognized simply as that sector that lives primarily in the informal economy without access to a “Westernized” economic environment (London 2007).
As the idea spread and in response to critics, some advocates of the BoP paradigm suggested that formulating it as basically a business strategy left it vague on actual poverty alleviation implications, and called for a more developed idea as to how the approach would in fact aid the very poor. London (2007) stated that that more attention needed to be paid to forming collaborative alliances with those in the BoP, “co-creating” with them as producers and not just consumers, and building on market structures already in place. This approach was echoed by Simanis and Hart (2008), who argued that “most ‘first generation’ corporate BoP strategies…failed to hit the mark” (2008, 1). Suggesting that those initial strategies were too easily seen as simply marketing to the poor on the assumption that this would alleviate poverty and promote sustainable development, they outlined an approach they labeled “BoP 2.0.” “BoP 1.0” was tagged as “Selling to the Poor,” while BoP 2.0 they labeled “Business Co-Venting.” The emphasis in their revision was on the need for companies to “work in equal partnership with BoP communities to imagine, launch, and grow a sustainable business” (Simanis and Hart 2008, 3). “Co-development,” they said, “catalyzes business imagination and ensures the business model is culturally appropriate and environmentally sustainable by building off of local resources and capabilities. Importantly, it also expands the base of local entrepreneurial capacity” (Simanis and Hart 2008, 3).

The BoP approach has continued to evolve in other respects. Rangan, Chu, and Petkoski (2011) argued that three different categories need to be distinguished in the BoP: “low income,” “subsistence” and “extreme poverty.” Each of these segments offers different challenges, and
different opportunities. Different constellations of consumers, co-producers and clients will be found at different levels of resources. To be successful, programs must therefore take into account the significant differences in these populations.

The BoP paradigm has continued to attract attention from corporations. An online slide presentation (Fox 2013) vividly illustrates the step-by-step, BoP approach taken by corporate giant Unilever in marketing a soap product to the BoP in Brazil. International bodies such as the UN interested in alleviating poverty continue to use the BoP model, often in cooperation with MNCs, as a framework for bringing capitalist interests to bear on the problems of destitution.

Assessing the BoP Paradigm

Challenging the basics

In among the enthusiastic responses that greeted the development by Prahalad and others of the BoP paradigm there were nevertheless criticisms to be found. One of the earliest and most trenchant critics was a colleague of Prahalad at the University of Michigan, A. Karnani. In a flurry of papers published between 2007 and 2009, Karnani contested many of the underpinnings of the BoP perspective (Karnani 2007a, d, b, c, 2008, 2009).

Karnani began by questioning whether the BoP market, even assuming Prahalad’s criterion of $2 PPP or less per day, numbered anything like the four or five billion Prahalad foresaw. Karnani
pointed to figures provided by the World Bank and other researchers to suggest that the number may be as small as 600 million. Even working with the World Bank figure of 2.7 billion, his suggestion was that there is no fortune to be found there. Prahalad’s submitted potential of $13 billion, he contended, should be amended to something like $0.3 trillion, given the meagre purchasing power of the very poor and the fact that profits would be repatriated at market exchange rates and not the levels suggested by parity purchasing power. The geographic dispersal, cultural diversity, and price sensitivity of BoP populations could be expected, Karnani argued, to offer challenges to distribution and marketing that would seriously undermine potential profitability. He went on to challenge in detail the case examples offered by Prahalad of successes and prospects at the BoP. Karnani also contested the idea that MNCs were the place to look for increasing economic opportunity in the BoP, suggesting that smaller, local businesses were better placed to take the necessary initiatives.

Karnani went on to attack the idea that the poor are, as portrayed by Prahalad, “resilient and creative entrepreneurs and value-conscious consumers.” The poor, Karnani suggests, are like the rich in being subject to buying things that do not help them, even hurt them, diverting purchasing power from things that would be benefits. The evidence is that that imprudent expenditures on things like tobacco and alcohol reflect no greater savvy on the part of BoP than richer consumers. The problem is that for very poor people, the problems created by those purchasing preferences are more serious and disadvantageous. As for entrepreneurship, Karnani called for a distinction between entrepreneurship defined merely as forced self-employment, and entrepreneurship understood as creative, skilled and self-motivated embarking on new ventures.
There is no evidence, he insisted, that very poor people are more inclined to the latter outlook than are populations elsewhere; but they are forced into the former by their impoverished circumstances.

This links directly to Karnani’s contention that the second part of the BoP proposal – that seeking profits in the BoP will at the same time help the poor – is unrealistic. MNCs can be expected, he contends, to market to the poor what they will find meets or attracts a demand and promises a profit, regardless of the benefit to the poor. A favourite example was the fashion product “Fair & Lovely,” a skin-whitening compound cited by Prahalad as an example of BoP entrepreneurship. The product is marketed quite profitably by Unilever, an active BoP participant, to women of India. Karnani notes the widespread objection to the racial and gender implications of “Fair & Lovely,” and contests Prahalad’s assertion that freedom to buy this product amounts to empowerment. Unliver should, of course, be entitled to sell the item, he agreed, and consumers free to buy it. But, he submitted, the idea that companies empower women and help eradicate poverty with products like this is “morally problematic” (Karnani 2007a, 22).

The solution, Karnani concluded, lies not in increasing consumer or entrepreneurial opportunity for the poor, but in creating opportunities for regular employment at reasonable wages. Governments, he insisted, and not just “free” markets, should be principle agents in bringing that about.
Prahalad replied with a response to several points in Karnani’s critique, but suggested that the main point of contention was ideological. Prahalad maintained that the principle underlying the BoP approach was respecting freedom of choice: freedom to purchase and consume what one wishes, and freedom to engage in the trading one wishes. The debate attracted attention in business literature circles, but did not seem to detract from the public influence of the BoP paradigm. As *The Guardian* newspaper observed in 2014, “Ten years later, businesses big and small continue to pursue profits at the bottom of the pyramid” (Gunther 2014).

*But does it work?*

Perhaps the best way of weighing critiques like Karnani’s is simply to ask whether the program delivers. Does the BoP enterprise produce the results its advocates have projected from marketing to the very poor? The short answer seems to be that it is difficult to know.

There are, two sorts of outcome sought in BoP markets: the first is profits, and the second is benefits to very poor in terms of increased access to products and services at reasonable prices but also the opportunity to capitalize on their entrepreneurial talents.

Begin with profits. Proponents of the BoP approach have certainly pointed to examples of what they see as success. As noted, Prahalad launched the initiative with instances where he saw profits being made as well benefits bestowed. Early reviewers of Prahalad’s proposal noted, however, that his most striking examples were not of private enterprise targeting a market but
not-for-profits operating as social enterprises or MNCs partnering with governments and international agencies such as the World Health Organization (Walsh, Kress, and Beyerchen 2005). There may have been innovative approaches to delivery and partnership and resourceful approaches to generating income, but standard calculations of “profit” did not seem to apply. The private company most celebrated by Prahalad and others in the BoP movement was Hindustan Unilever Limited (HUL), the Indian subsidiary of Unilever, which Prahalad and Hart referred to as “a pioneer among MNCs exploring markets at the bottom of the pyramid” (2002, 5). Prahalad and associates cited two products in particular: candy and salt. Candy, however, was abandoned by HUL in 2005 because of unprofitability, and salt is sold mainly to somewhat better off customers where it is still at a severe cost disadvantage to locally produced product (Jaiswal 2008). Unilever remains a prime reference for BoP supporters. It is said that Unilever generates more than half of its sales from “developing” markets (Gunther 2014); but it is by no means clear how profitable this is or whether those sales are to the poorest, who occupy the BoP, or those who are somewhat better off.

It is generally recognized that in practice, trade at the BoP has been less profitable than hoped. Procter & Gamble could not generate a competitive return on its Pur water-purification powder after launching the product on a large scale in 2001, so gave up on the project in 2005. DuPont subsidiary Solae marketed a soy-based food supplement to the poor that would enrich their protein intake, but abandoned the venture when it generated inadequate sales (Simanis 2012).
Promoters of the BoP perspective have worked to identify the challenges that led to these disappointing results and to develop practical responses to them; but it seems clear the profit objective has been demanding. The most focused consideration of evidence as to profitability in the BoP was undertaken by Kolk, Rivera-Santos, and Rufin (2014). Their judgement was that a majority of the relevant research reported a somewhat positive impact for firms investing in BoP initiatives, but a wide disparity in how outcomes were evaluated (e.g. does learning from the experience count as a success?) made it hard to draw any conclusions. Their conclusion was the judgements as to profitability need a much clearer set of criteria, and much clearer reporting, than anyone has provided. The question about profitability at the BoP appears moot.

What about benefits to the BoP population? Again, it appears that we do not really know. In their 2014 review of the academic literature on BoP, Kolk et al. noted that the “scarcity of objective assessments” of social impact seemed remarkable given claims about the potential of the concept for poverty reduction. Several articles did claim improvements in areas such as education, health care, and water quality, and some suggested improvements in such impressionistic variables as “quality of life,” “empowerment” and “reduced exploitation.” But the overall impression is that there has not been much attempt to identify precise indicators of the kinds of improvement that might be hoped for, and even less attempt to use them to gauge outcomes. The BoP program’s outcomes for poverty relief are, according to reviews such as these, unclear.

A revealing perspective on this question appears in a pair of publications by BoP advocate Simanis (2012, 2013). Simanis admitted that the BoP concept has proven far less profitable than
hoped, and suggested that in fact the low-margin, high-volume approach at its centre simply does not work. Costs are much higher, and the purchasing customs of the target population create much higher barriers than traditional markets. The solution, Simanis proposed, is to be forthright in pursuing higher profits, and to be clear that business at the BoP is business. BoP enterprises, he asserted, are not social enterprises. Shareholder demand must be satisfied. The idea that corporations can use a “blended value” approach in working at the BoP is, Simanis says, “a myth” (2013, 224). Simanis is quite clear that profits can be made at the BoP and offers concrete suggestions as to how this is possible. But he is equally clear that poverty relief is a hoped-for spin-off. It is not another line in the ledger that is balanced with profit (and environmental?) concerns. Profit must prevail.

This line of reasoning certainly suggests that the link between the BoP program and sustainability program is questionable at best.

*BoP and “co-development”*

As noted earlier, there were advocates for the BoP approach that in response to critics recognized its potential for actually assisting the poor was obscured when it was advanced mainly as a program for increasing their role as consumers. London, Simanis and Hart were foremost among many who acknowledged that the BoP must benefit not just by selling more things to them, but by engaging them in the productive activities. They held that “co-venturing” and “co-development” were vital parts of an approach that could be expected to bring benefits to the BoP.
However, Kolk et al. identified very few examples of BoP engagement where the poor are actually involved as co-operators in innovation, production or marketing. “Most BOP models reported in the literature,” they observe, “view the poor as consumers of existing or adapted products” (Kolk, Rivera-Santos, and Rufin 2014, 356). A review by Goyal et al. (2014) comes to a similar conclusion. To the extent that BoP initiatives are supposed to deliver benefits to the poor by engaging them not just in consumption but production, the record is not encouraging.

*What about the environment?*

Practitioners and educators situate the BoP paradigm in the field of business sustainability. Of course that field is not, as sometimes supposed, concerned exclusively with environmental considerations; but those are clearly central to the program. How does the BoP concept align with that concern?

The results have not been impressive. There have certainly been those among BoP advocates who have included an environmental focus. In their 2008 report aimed at moving the BoP concept beyond a “selling to the poor” strategy – published, incidentally, by Cornell University’s Center for Sustainable Global Enterprise – Simanis and Hart included as part of their “co-creation” approach a concern for “environmental management” and “environmentally sustainable” business models (3). Kolk et al. noted in their survey, however, that the environmental aspect of sustainability receives very little attention in the literature concerning
the BoP paradigm, a situation they found surprising given the concern that entry into BoP markets might simply reproduce and extend the exploitative behaviour of commerce operating in the industrialized world. Brix-Asala, Hahn, and Seuring (2016) echo that concern, and offer a case study of BoP enterprise in Africa that they suggest illustrates the requirement for unacknowledged trade-offs among the three pillars of sustainability when projects are implemented. Environmental considerations, it seems, may often be in real tension with the alleviation of poverty and with profitability.

BoP discourse and market capitalist hegemony

A more radical assessment of the BoP program has emerged in the last decade. Recent scholars (e.g. Bonsu and Polsa 2011, Peredo, Montgomery, and McLean 2016) have suggested that the BoP paradigm in fact embodies an ideology and a world-view that needs to be examined critically instead of simply being applied without question. From this viewpoint, the BoP perspective is just an outcropping of the hegemonic status of market capitalism. As an hegemonic outlook, market capitalism – especially in the prevailing era of neoliberalism – establishes itself as the normal, natural way of seeing things (Gramsci 1971, Barrett 1991). The BoP framework simply adopts the “taken-for-granted-ness” of that viewpoint.

A discourse analysis of the literature advocating the BoP program seems to reveal the ways in which those in the BoP are in fact constructed as eager consumers and entrepreneurs by consistently locating them in the framework of market transactions as liberating (Peredo et al.
A 2007 publication of The World Resources Institute and The International Finance Corporation, for instance, introduces its case for a market-based approach to poverty as follows: “The starting point for this argument is not the BOP’s poverty. Instead, it is the fact that BOP population segments for the most part are not integrated into the global market economy and do not benefit from it” (Hammond et al. 2007, 4). Acosta et al. (2011) articulate clearly the assumption behind the BoP perspective: “[S]uccessful participation as consumers or producers in markets (or ‘market inclusiveness’) is sine qua non in permanently exiting poverty” (Acosta et al. 2011, 50). There is no argument for this assertion. It is assumed to be obvious.

The BoP attitude to other forms of aid can be seen as demonstrating its commitment to a way of seeing things that should take the place of other, unsatisfactory perspectives. (1) Other responses to poverty are articulated as charity- or state-based; (2) Charity and state-based solutions to poverty are said to represent poor people as victims and dependents; (3) These solutions to poverty are historical failures; and finally (4) The BoP perspective is a different and preferable approach to poverty alleviation both because it is based on something that works, i.e. market-based transaction, and because it does not dismiss the poor as victims but sees them as open to empowerment by means of that transaction. In Prahalad’s words: “If we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up” (2006, 1). In this way, the argument goes, poor people are made intelligible as further examples of homo economicus: self-interested individuals aspiring for more consumer choice and capitalist markets.
Shiva (2010) is eloquent on the way in which the industrialized, market-centered outlook actually creates poverty, in two senses. First, it perceives poverty in circumstances where the subjects are well sustained (as in Sahlins “original affluent society”) but not engaged in the cycle of resource exploitation and over-consumption on which industrial societies depend. Second, in its attempts to remedy, by inclusion in the market economy, what it sees as poverty, the market-based program of industrialization frequently destroys the means of sustenance upon which populations have depended.

The problem with accepting the market capitalist hegemony as the BoP paradigm does, the argument continues, is its blinkering effect: it obscures important factors that are relevant to effectively addressing poverty (Peredo et al. 2012).

One thing arguably hidden by the BoP perspective is the many ways in which poverty may actually be experienced. Stipulating a daily income as the marker for poverty, as BoP does, discounts the diversity convincingly outlined by Amartya Sen in his argument against using income as a standard for identifying the poor (1999, 87ff). It also ignores the nuanced understanding of poverty from the inside represented, for instance, in the eloquent *Voices of the Poor* trilogy (Narayan and Petesch 2002, Narayan et al. 2000, Narayan-Parker 2000).

Closely related to this is the way that the BoP framework disregards the manifold roots of poverty. The forces that create and sustain genuine poverty clearly include historical, social, and
especially political factors (see, e.g., Ferguson and Lohmann 1994). Sen’s account of famine (1999), perhaps the starkest expression of poverty, underlines the way in which political forces combine with other elements in a way that must be taken into account in attempts to relieve and prevent famine. It appears that approaching poverty as basically a problem of access to markets simply ignores factors vital to understanding and responding to poverty.

Equally significant is the way that the BoP paradigm hides from view the diverse economies available to those living in hardship, including some employed by the poor to produce and improve their livelihood. Gibson-Graham, for instance, have engaged people who might well fit the simplistic income criterion for inclusion in the BoP as active participants in “discursive destabilization,” where “poverty” and the hegemonic image of poor victim (or its supposed solution, the free entrepreneur) could be rethought in collective terms (2006, 127-163). Cooperatives, as well as what have come to be known as “community-based enterprises” (Peredo and Chrisman 2006), and barter markets (Argumedo and Pimbert 2010) are among many examples of collective economic activity that are engaged with markets, if at all, in ways quite different from the standard market-capitalist assumptions implicit in the BoP program.

Conclusion

I have tried to outline, in some detail, the evolved BoP paradigm as a business response to the call for social sustainability, and outlined some criticisms that have emerged in the literature. At least two conclusions can be drawn from this survey.
The first is that the BoP, as a candidate for inclusion among the tools for improved sustainability, faces formidable challenges. Its promise of profitability stands in need of support it has not received, and its assurance of assistance to the poor is likewise open to question. The uncritical acceptance of a market-capitalist paradigm as the preferred instrument of alleviating poverty seems definitely to invite thoughtful consideration of the factors that assumption ignores. Further, the BoP paradigm does not seem to offer significant ecological benefits, and may even contribute to environmental degradation.

A second conclusion extends the concerns just mentioned to a general worry about business-based approaches to sustainability. As noted earlier, the BoP paradigm shares with other sustainability proposals from the business sector the assumption that standard, market-based activity can be harnessed to address sustainability at the same time it supplies the profits that businesses seek.

The idea that environmental sustainability can be achieved by market means has been subjected to searching criticism (Prudham 2009, Harris 2013, Smith 2011). We have seen that the BoP commitment to the market mechanism has drawn its share of disapproval. It seems fair to conclude from this is that the business approach to sustainability, insofar as it rests on an assumption of pairing sustainability outcomes with standard market profitability, faces some formidable challenges. The warning cited at the beginning of this chapter about the resistance to sustainability initiatives that might be expected from business interests seems well placed. It may
well be that if sustainability is our goal, approaches to economic livelihood that do not rely on standard, individualistic and profit-based assumptions will have to receive serious consideration as viable “business” models.

References


