



## World Export Development Forum (WEDF), 8 – 11 October 2008

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### SESSION SUMMARY: Thursday, 9 October 2008

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#### BREAKOUT SERIES 1

### **Acting on Consumer Conscience: Towards Responsible Innovation**

#### SPEAKERS:

Arun Kumar, President, Development Alternatives, India

Anukul Tamprasirt, Deputy General Secretary, The Federation of Thai Industries

Philip Leakey, Founder, The Leakey Collection, Kenya

MODERATOR: Gavin Staude, Director, Rhodes University Investec Business School, South Africa

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Innovation is the name of the game if developing countries are going to win their share of a growing worldwide market for ethical goods. Innovation can also be a powerful force in poverty reduction, panellists agreed. But poorer developing countries face challenges in developing the needed products, with lack of financing and knowledge of international markets amongst the most pressing difficulties.

Moderator Staude said the so-called “conscience” market accounts for a small part of the global retail market but fair trade has risen 1,000% over the last decade. “I am satisfied that it is an opportunity rather than a threat. But the emphasis has to be on innovation...It is not negotiable,” he said.

Innovation could take many forms, including within the products themselves, the technology used to produce them and values, which Arun Kumar said referred to a readiness to seek customers among people who had until now been excluded from the marketplace.

Kumar noted that India’s runaway economic growth has been highly uneven, with only half of the one billion population benefiting. “Responsible innovation has to address inclusive growth,” he said. It has to create sustainable livelihoods.

He also outlined a number of technological innovations in which his organization has been involved, including a system of generating electricity from the treatment of weeds. Such developments could be the trigger for wider economic progress in poor areas.

“You are in a position to produce electricity in the boondocks, anywhere,” he said. “Once you have electricity you can do anything. You can transform a local economy.” The system has even attracted the interest of Switzerland.

“There is no such thing as waste.” The use of resources not previously recognized as resources is a fantastic new economy.” We are generating “wealth from waste”, said Kumar.



Anukul Tamprasirt, Deputy General Secretary of the Federation of Thai Industries, noted that his country's growth is based on raw materials. It is an export leader in many fields, ranging from rice and rubber to chicken. A key challenge is to make better use of biomass, he said, noting that 70% of Thai mangoes are wasted because they do not meet export standards.

But when it comes to breaking into new markets, producers of ethical goods face big hurdles, said Philip Leakey.

His company markets jewellery and home accessories made from grass and other unusual raw materials by Maasai tribes in Kenya. It is now looking at using waste wood for jewellery.

But it costs money to launch a business. "That is a major obstacle that needs to be addressed. If it is not, then we are just wasting time," he said.

His company focused on selling to boutiques because these were looking for something that could not be found in a supermarket. Subsequently they realized they had to drop the "ethnic look" if they were going to get wider business. They are now selling in 5th Avenue in New York, Hollywood and London amongst 2,500 outlets worldwide, Leakey said.

"The problem is the knowledge of what is wanted. That is the biggest problem for developing countries. It is difficult to get out and sell," Leakey said.

Governments can play an important role in helping develop small businesses by acting as a "bridge and a catalyst". Leakey cited the example of South Africa and the Marula tree, which is now used to make a liqueur, jams, and oil for skin treatment.

The media also has an enormous role, he added. In Kenya, farmers had got word of the potential for biodiesel production from local oil seeds from the media.

"I look everywhere in the world and I see opportunities for innovative entrepreneurship," said Leakey.