

Stanford SOCIAL INNOVATION Review

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ECONOMIC DEVELOPMENT

Product Paternalism

Women's empowerment means voter choice, partner choice, healthcare choice, reproductive choice, career choice, and consumer choice.

By [Jonathan C. Lewis](#) | 6 | Jun. 10, 2013

Who would argue that a shovel, seeds, and a watering can are not useful and important products to sell in impoverished communities? Or school supplies, study aids, pens, and paper? Or a mattress to lift children off a dirt floor? Or sturdy shoes to walk to work? Or cleaning supplies? Or solar lights, anti-malaria bed nets, and irrigation pumps? At the base of the economic pyramid (BoP), they all matter.

Common sense tells us that all of these products are life-enhancing, but our inner policy wonk says something different. The Western proclivity leans toward categorizing products for the poor—to rank them from desirable (efficient cookstoves) to destructive (tobacco).

Product paternalism is the economic development practice of determining which consumer products are “good for people”—that is, worthy of our impact investments, charitable donations, and active support—and which are not.

Thankfully, economic development professionals, social entrepreneurs, and community activists are beginning to realize that programs designed for the poor, but without the involvement of the poor, are doomed to underperform, if not fail entirely. Every smart, sophisticated, and caring social entrepreneur knows that good listening is axiomatic.

Listening means honoring voices polled at the ballot box and trusting the village consensus to set community priorities. It means empowering people to speak for themselves about all the things that affect their lives. If we can rely on people to elect wise governmental leaders, surely we can rely on them to make wise shopping decisions.

As John Anner, president of the [East Meets West Foundation](#) pointed out to me, “Listening is tricky. Without multiple ways to verify what people really want, it can be hard to cross the barriers of language and culture to truly understand what people need and want (good or bad). This is why the best way to figure it out is to provide a range of options and let people vote with their own money.”

Not all consumer purchases at the BoP will be particularly smart, healthful, prudent, or virtuous. Inevitably, human beings—regardless of income status—make mistakes. Intrinsicly, choice empowers you, me, and the poor to make mistakes.

No question, but that it's easier on the soul to point to a carefully culled selection of obviously beneficial products. We might sleep better selling a screened product selection to the poor (that, hypocritically, we would never accept for ourselves), but it ignores the inconvenient fact that in a real world of real people leading real lives, it makes not one whit of sense.

Product taxonomies require a flat, static, and crimped view of the actual economic lives of the impoverished. Product classifications depend on overly simplistic understandings of how products enrich, empower, and liberate.

In the developing world, as in industrialized markets, consumer purchases are multi-purpose:

- A hammer and nails will build a chicken coop, fix a broken window to keep out malaria-carrying mosquitoes, or repair a leaky roof to keep children dry in the winter. They might hang an election poster, a school notice, or a reminder on when to immunize your children.
- Sanitary pads are a basic health product for women, an essential educational supplement to keep menstruating girls in school, or perhaps a tool of women's dignity and respect.
- Childrens' diapers reduce the spread of disease, make a cramped home more livable, or allow a mother the freedom to attend a village meeting with baby in tow.

In any event, a handy classification system is right in front us: Let the consumer—most probably a female making family purchasing decisions—choose.

What is normal to have in countries with robust product distribution systems (malls, bodegas, catalogs, and online shopping) can be hard to get in communities with lousy retail options. The result is long walks to monopolistic stores, time inefficiently spent, children left untended, and delays in buying critical items.

Coca-Cola distributes and sells 78 million servings of Coke per day in Africa. African consumer demand drives distribution, justifies investment in production, shapes marketing, plus makes the Coca-Cola company Africa's largest private sector employer (it employs 60,000 people directly and 600,000 indirectly). Clearly, Coke is not a water purifier or a clean-burning stove, but we can study Coke's distribution model.

One practical lesson to consider is that the socially minded products standing alone in the marketplace—even though cost-effective, life-improving, and absolutely important—may not be strong enough financially to support distribution at scale. Even Coke needs multi-beverage vending machines and multi-item markets to reach consumers.

We know that a myriad of market imperfections terrorize people at the bottom of the economic ladder. We know scarcity and monopoly inflict shoddy products and predatory pricing on captive consumers. We know that—no matter how useful a product's life-enhancing attributes—without financially sustainable distribution, the poor will not benefit from it.

Good people in worthy organizations are working hard to deliver socially important products to the poor. Nonetheless, product distribution at the BoP remains a daunting economic development challenge. As summed up in the report “**Marketing Innovative Devices for the Base of the Pyramid**”: “Progress in marketing these [traditional social products] has been frustratingly slow...”

Modeling multi-product catalogs (think Sears catalog or Amazon) and multi-product department stores, Copia Global (an organization I co-founded) is rolling out a distribution system that utilizes existing shopkeepers, armed with a catalog, to sell both pro-poor social products and more traditional merchandise at the BoP. The catalog (in its third edition after eight months of operations) pragmatically measures BoP consumer preferences as they vote with their purchasing dollars.

Yes, the Copia catalog sells solar lights, school supplies, and farm implements. It also sells nail polish, paper towels, diapers, detergent, and toys. The consumer, not Copia, decides.

On a recent visit to Nairobi, I found myself standing in a tiny shop on a scrappy, no-sidewalk dirt street, surrounded by food stalls and untethered goats. The shop is a one-woman enterprise. Every customer means a big difference in her daily average net income of \$1 to \$2.

The shop sells cheap cotton dresses and bits of costume jewelry. Once a week, the owner travels to the nearest large market to obtain what she hopes her customers will buy. As with all retailers, her livelihood requires that she understand her customers and do a bit of risk-taking guesswork on what might sell.

On the same trip, I stopped over in Rome and found myself window-shopping in the trendy dress shops near the Spanish steps. Both the Nairobi and Rome shopkeepers, albeit in very different economic markets, are in the fashion business—they sell what local women want to wear.



Choice in the marketplace is part and parcel of her empowerment. (Photo by Jonathan Lewis)

Female consumers, businesswomen, mothers, daughters, sisters, and wives in the developing world don't need a stack of smartass Westerners—most probably men like me—deciding what they should buy. They can handle that without our brilliance.



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