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Inclusive Business in Indonesia

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Inclusive Business In Indonesia

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What is Inclusive Business?

- ❖ A business model to the low and middle income people as a solution to improve their income using innovative and systemic approach.
- ❖ ADB's definition: Inclusive Business is a “commercially viable companies that offer systemic private sector solution (in scale) to relevant problems of the poor and low income people”.

IB in Indonesia-Issues and Challenges

- ❖ Lack of understanding of IB
- ❖ IB = CSR and or social entrepreneurship
- ❖ New concept of business model
- ❖ No proven IB model just yet
- ❖ Still focus in agribusiness sector

Is IB model suitable for Indonesia?

- ❖ Indonesian Government goals and objective-pushes reforms to increase economic growth, pro poor, integrated national development, food security.
- ❖ Others business models are worked with the poor **BUT** do not necessarily generate systemic impact on poverty reduction and inclusion, while IB gives access to financial institution as well as access to market
- ❖ IB is a business model using the company's revenue and profit but also using the company's relevance and the social impact it's created, they build a sustainable business for the poor to improve their life standard in systemic and innovative way .

What should be done in Indonesia?

- ❖ Start promoting IB concept.
- ❖ Make public & government awareness.
- ❖ Government support.
- ❖ Credible and international/local institution (such as ADB, KADIN, Apindo) assistance.
- ❖ Develop an independent IB accreditation agency.

Thank You