

**WINNER ESSAY CONTEST**  
**The world is full of opportunities**  
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Development policies try to solve too many problems on too wide a scale to be really effective. The problem of development aid is exacerbated by the reactive nature of politics. It is time for change, and business has always provided this. Entrepreneurship is the driving force of change, a powerful tool, that is neither fully understood or exploited by governments. Entrepreneurship is a business tool. It is the foundation of development and prosperity. It is time for change: it is time for entrepreneurship.

During the past decade, more than € 28 billion has been spent on alleviating world poverty and its related problems. Apart from the fact that this amount represents only an 'adequate' measure, and that the same amount is spent every month either on war or on agricultural subsidies, it is more important to understand why development aid in most of its forms hardly produces any large-scale or significant results. Two-thirds of the world's population lives in poverty and suffers from all manner of related problems. These include poor educational prospects, little or no access to markets, HIV and AIDS, unemployment, cultural barriers to change, and a lack of safe drinking water and adequate sanitation – with their consequent risk to health. In a number of instances, such situations are aggravated by the fact that the country concerned is at a state of war. The Millennium Development Goals (MDGs) may well be considered as the most generally-accepted means to make this world a better place. The MDGs cover all aspects of underdevelopment and as such form a brief and appealing list of solutions. However, the attempts to fulfil these aims fail monumentally.

**So why?** Taking a closer look at the world again, it becomes clear that the scope of the MDGs might well be too large. To make a comparison: the problems addressed are not those of a burst dam. Although the effects can be devastating, the dam is located in one place and can be fixed, followed by a quality check of other dams to prevent the disaster from repeating itself. Poverty does not have a 'one size fits all' solution, it is not limited to a specific geographical area, the causes are manifold and most of them cannot be controlled or prevented effectively. The wealth, or so-called development, of Western Europe is not the result of some master plan or simply thanks to the Marshall Plan. It is even doubtful as to whether democracy and the state are the prime reasons for its prosperity. It is quite possible that without the VOC-entrepreneurs the Netherlands might never have had a Golden Age. Indeed, the fact that the Netherlands developed into a wealthy nation cannot be primarily attributed to the state, government or legislators. So how is it that the development of other parts of the world is then still considered a prime task of the state, government and legislators? Furthermore, the state is reactive in nature: it responds, increasingly, to polls and other seemingly predictive instruments of the future distribution of power. How does this relate to development aid? Well, development aid is no longer based on needs and pragmatism, but on popularity and identification. For example, water and sanitation are not issues for the self-styled 'developed' world, because no one can imagine what life is without

at least one toilet and drinking water to flush it. Whereas by now, most of us know someone with HIV, and therefore HIV is targeted in development policies. The fact that the transition from HIV to AIDS greatly depends on antibodies, and that the existence and survival of these antibodies are positively influenced by access to water and sanitation is of little or no significance. Indeed, HIV scores and water does not. This mechanism sheds light on the current popularity of climate change in societal discourse. No one cares that in past decades the duration and intensity of tropical rains has decreased. Instead, one is frightened by the idea that the cost of a barrel of oil exceeds 100 US dollars. The vivid impression of this nearing moment forces action, the moral principle of solidarity does not. The state appears to have been taken hostage by this system and the short-sighted and reactive nature of politics is approved of under the heading of the “peoples’ will”. Business is not necessarily better in practice; however, in contrast to the state it has a lot of potential. Whereas development aid appears to be a beached whale, business is its cousin that freely swims the ocean. The focus should thus be on the direction this whale is going. This is where business enters the field of development aid and where the state still has potential. By now, it is clear that the unit of analysis should not be whether to have development aid or not, but what the adopted mechanism should be.

**So what is the direction of business?** Entrepreneurship is viewed as recognizing opportunities and taking them. Following the ‘Bottom of the Pyramid’ scenario sketched by Prahalad and Hammond, the four billion people in the underdeveloped world constitute a major business opportunity. However, the rest of the world provides sufficient or less risky opportunities that can be exploited first. As such, there is no doubt that the African continent will one day be the focus for exploiting opportunities.

**The question is how to move this momentum forward?** Public procurement can do this! The European Union member states should agree on the European wide public procurement of their development policies. The European focus increases the potential and the scope of addressed issues. For instance, the Netherlands should “adopt” the problem of water and sanitation in the area they believe this problem is the most severe. Sub-Saharan Africa does not constitute a region, Rwanda does. Indeed, the specification of a region depends on the practical consideration of achievability. One should dare to focus on one problem in one area and let other member states focus on a different problem in possibly a different area, or a different area and possibly a different problem. As problem and area are chosen, the amount of aid and the duration of aid should be set. The enactment of the policy is left to entrepreneurs. By publicly procuring development in a certain problem and region, entrepreneurs are invited to take the opportunities existing. The development aid will thus not go to doubtful governments, or bureaucratic organisations but to small entrepreneurs that dare to take an opportunity when they see it. The state could select the most promising ideas, but should not interfere with the business itself. The aid is predetermined and will terminate after some years, it works to decrease the risk more and by this direct the ‘whale’ towards certain regions. The only governing principles are that of achievability, local inclusion and non-funnelling. The first is already described, the second refers to the involvement of local people and local communities in the business, and the last refers to the profit-streams: profits made should be re-invested in the country of location and not be funnelled out of the country. This model could well be adopted by multinational enterprises as an in-house system of market exploration and penetration.

**However, the question then remains, why a MNE would do so?** As has been said already, the world is still full of less risky opportunities waiting to be exploited. It is here that the state can play a pivotal role in development aid. The entire system is built on the belief that entrepreneurship and business is not determined by popularity but by opportunity. The state is returned to its role of facilitator, a role that needs to be taken up in order to move forward the momentum of exploiting opportunities in less developed regions. The state is the only actor able to give business direction. By facilitating public procurement and by setting up diplomatic trade representations, the entrepreneurs' attention can be drawn to hyper-problematic regions and their move to the selected area can be guided. Furthermore, the commercial representatives of the embassies can investigate what changes in the political and bureaucratic system of the host countries would significantly increase the potential of the projects, thereby increasing the impact and reducing the risk. By communicating on a European level, the states can ensure the necessary coverage of problems. However, the focus of one state on one problem in one area for a specified time greatly increases the impact of such focus. Indeed, the state would return to its own playing zone and invite business to a completely new, unexploited playing zone filled with opportunities that can hardly be dismissed. The main change for the public is that it is acceptable to make money through the commercial exploitation of developing countries as long as this effectively moves them up the development ladder. The main change for states is the recognition of the fact that although all problems demand solutions, not every country can provide solutions to all problems. A certain kind of prioritization is necessary, however not based on popularity but on necessity. The main change for the world of business is the recognition that it is the driving force of change and as such has the chance to offer solutions. The world is full of opportunities. One must be pessimistic if one does not see them; one must be stupid if one does not take them!