



Creative Capitalism

In his address at the World Economic Forum in Davos, Switzerland, Bill Gates described what he calls “creative capitalism,” which, as he sees it, “...takes this interest in the fortunes of others and ties it to our interest in our own fortunes – in ways that help advance both. This hybrid engine of self-interest and concern for others serves a much wider circle of people than can be reached by self-interest or caring alone.”

Most of the media coverage surrounding Gates’ speech and his announcement of over \$300 million for agricultural development focused on one interpretation of creative capitalism – that we can make money helping the poor. This has been true for high-profile campaigns like Bono’s (RED) brand, which sells computers, iPods and watches with the promise that a portion of the proceeds will go toward fighting AIDS. Certainly many businesses – including Microsoft – have learned that they can do more business by doing good.

Feature

Growing Opportunities

New markets for farmers in Cambodia



The twin rusted cylinders sprout from Prak Sareth’s vegetable field like the chimneys of a de-commissioned ship that has spent many years at sea. A few flecks of the original blue paint still cling to the otherwise mottled brown metal.

After a brief inspection, I realize that this is what remains of Sareth’s original treadle pump, purchased six years ago. He assures me that it is still in fine working condition; he keeps the pistons and treadles back at the house

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What has characterized IDE’s mission over the past 25 years is the belief that we can do more good by doing business.

While several firms have taken it upon themselves to do business for poor people by finding innovative ways to raise funds for charitable causes, we have been urging companies to do business with the poor – creating opportunities through the market.

We will not succeed in our mission to raise the income of subsistence farmers if we continue to treat them as consumers of charity. Instead, we see subsistence farmers as producers of value: customers and entrepreneurs

The recently announced grant from the Bill and Melinda Gates Foundation - \$27 million to support IDE’s work in India – is a huge boost to our program, not only because it will significantly raise the incomes of 250,000 subsistence farmers, but also because it signals a growing recognition of IDE’s brand of creative capitalism, which has been quietly lifting subsistence farmers out of poverty for the past 25 years. [r | t](#)

by Stuart Taylor

when it is not in use. However, I can see the line of plastic tubing running from his garden to a small petrol motor a couple hundred yards across the field. Sareth laughs as he follows my gaze across the rows of vibrant green tomato plants.

“Yes,” he says through an interpreter, “Life is much easier now.”



Photo: S. Taylor

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Growing Opportunities- New markets for farmers in Cambodia (from page 1)

Six years ago, Sareth was making around \$200 per year from his small plot of cabbages, cucumbers and leafy greens. It was not enough to ensure that his family could afford basic foodstuffs or to keep his four children in school.

Then, in 2001, his neighbour introduced him to a technology he had not seen before. "I saw my neighbour had a treadle pump installed," he recalls. "I went to the local dealer. Because it was a new product, the dealer was offering a \$2 rebate to farmers who would install the pump and show their neighbours." Sareth jumped at the chance and scraped together the \$13 he needed to purchase a pump.

After one year, he says, the income from his vegetable garden jumped to \$750. Irrigation had become so much more efficient, he was able to expand his production into the fallow land surrounding his small plot. "I was carrying sprinkler cans from that stream," he says, pointing across a small embankment 300 yards away. "With the pump, I was getting water right next to my vegetables."

Within two years, Sareth had saved enough money to buy his petrol pump; at \$130 it was ten times the purchase price of his treadle pump. He continued to grow his vegetable operation and also expanded into dry season rice.

The disastrous Pol Pot era is still a painful living memory for many Cambodians, including Sareth. Everyone has a tale of suffering, atrocity, and often heroism, to tell. Now, as the country moves forward from the chaotic '80s and '90s following the downfall of the Khmer Rouge, Cambodia is posting impressive economic gains. The challenge for farmers like Sareth is how to cash in on the promise of a brighter future.

For many farmers, vegetables and spices represent a market opportunity. Currently in the eastern provinces like Prey Veng, up to 60% of the commercial vegetable market is being supplied by nearby Vietnam. "There is no reason that the Cambodian farmer can't produce these vegetables," says IDE Cambodia's director of operations Ros Kimsan.

Last year, Sareth started producing chili peppers – a high value

crop that IDE has been promoting in this area. He has just finished installing his first drip irrigation system, with the assistance of local IDE field staff. He is keen to see how this will further boost his vegetable production in the coming year.

Further down the dusty road, Saroeun is also growing chilis. She was introduced to chili cultivation by a local extension agent trained by IDE. The agent paid monthly visits and provided seed on credit. In her first season, Saroeun sold \$50 of chilis to a wholesaler in town, allowing her to pay off the \$13 value of the seed and inputs from the private extension agent.

"The agent has visited us regularly," she says. "He showed me how to get good results with the chilis. Now I can tell my husband what to do!" she laughs. Her husband smiles quietly and says he is proud of what his wife has accomplished with the family vegetable plot.

The extension agent also introduced her to fertilizer pellets – compressed tablets of fertilizer that she pushes into the soil at regular intervals through her rice paddy.

IDE's Kimsan explains how the pellets increase yields. "The pellets slowly release fertilizer into the soil," he says.

"You don't lose much in the rains."

"We have seen very big changes in yield," he continues. "In the wet season, people are getting 50% more rice and in the dry season, they are harvesting 70% more."

At his home a couple of kilometres from Saroeun's house, the private extension agent, Sok Thol, explains his business. He is a vet who regularly travels from village to village. IDE trained him as an extension agent and now he is able to offer both agronomic and veterinary services to the 250 households in his area. For him, it means an additional source of income.

The IDE technologies that he sells – including drip irrigation and the fertilizer pellets – come bundled with visits to the customer's field to provide technical and agricultural advice. For farmers in the area, it means that they have a local and accessible source of information on new crops, potential markets and affordable technologies.

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Photo: s. Taylor



The spice of life: Saroeun, here with one of her four children, has found new markets with chili peppers

New Waves

Interactive exhibit makes a splash at summer festivals

by Tim Phelan

This summer, IDE Canada set out to raise awareness and change some people's impressions about global poverty.

The goal was to highlight the importance of markets and innovation, and demonstrate how IDE is using them to bring hope to millions of small farmers around the world.

To accomplish this, we designed and built a portable IDE exhibit display, taking it to various summer festivals and events

around Manitoba. The display consists of a three-panel table-top sign, a large banner, and various publicity materials.

But that's not all.

Front and centre is an interactive exhibit featuring examples of actual irrigation equipment marketed by IDE to empower small farmers around the world.

Predictably, our treadle-pump display inspired curiosity and sparked the imagination

of hundreds of Manitobans stopping by to see the exhibit this summer. Our customized pump drew water from an inflatable pool, drawing in impressive amounts of water and propelling it back out again, much to the delight of the countless young children begging to try it for themselves.

The exhibit traveled to three major Manitoba summer festivals, including the Neepawa Lily Festival, The Portage Potato Festival, and the Morden Corn and Apple Festival. We also set

up at the Exchange District Farmer's Market in downtown Winnipeg on a weekly basis in August.

The exhibit generated some interesting dialogue with the public, an impressive number of whom were genuinely supportive of IDE's mission to help the world's poorest out of poverty.

There was a fair amount of skepticism though, for most were

only familiar with more traditional development approaches, which many feel have caused more problems than they've solved. After learning about IDE and its programs, many left with new ideas and impressions about global poverty.

When people approach the display, try out the treadle pump, or just browse around, it opens the floor for two-way communication. The overwhelming impression we get from talking to people is that there are so many who

want to make a difference and help the world's poorest, but feel powerless to do so.

After stopping by the IDE exhibit display, our hope is that some of those feelings change. **rT**

Tim Phelan is studying creative communications at Red River College in Winnipeg. He spent the summer working with IDE Canada, supported in part by a grant from Canada Summer Jobs.

Photo: S. Dube



Pedaling the IDE Story: Summer intern Tim Phelan shows off the treadle pump at the Neepawa Lily Festival

Growing Opportunities (from page 2)

Back at her home, Saroeun says she is very happy with the advice and service that she has received from the extension agent. She beams as she pats her nine-year-old son on the head. "Now he isn't hungry and I am happy," she says.

For farmers like Prak Sareth and Saroeun, that rusty treadle pump, pointing from soil to sky, represents change and growing opportunity. **rT**

Gates Foundation Awards Second Grant to IDE

New grant to have significant impact on rural poverty in India

Bill Gates has announced a \$27 million grant to IDE to support micro-irrigation programs for Indian smallholder farmers. The project was announced as part of a package of agricultural development grants at a press conference at the World Economic Forum in Davos, Switzerland.

The project aims to directly affect up to 250,000 smallholder farm families in 14 diverse states of India, increasing farmers' income by a minimum of \$400 per year, and boosting the agricultural economy by \$300 million at the grassroots level. To accomplish this goal, IDE will employ its proven, creative approach to manufacture, market, and distribute affordable, scalable micro-irrigation systems through a newly-created private sector supply chain; train farmers to use micro-irrigation; and link them to high-value crop markets, using little more than their own existing resources.

Photo: A. Doerksen



Amitabha Sadangi, IDE India director (left) and IDE India staff demonstrate drip irrigation to Melissa Ho (right) of the Bill & Melinda Gates Foundation

"If we are serious about ending extreme hunger and poverty around the world, we must be serious about transforming agriculture for small farmers—most of whom are women," said

Bill Gates, co-chair of the Bill & Melinda Gates Foundation. "These investments—from improving the quality of seeds, to developing healthier soil, to creating new markets—will pay off not only in children fed and lives saved. They can have a dramatic impact on poverty reduction as families generate additional income and improve their lives."

This grant comes just one year after the Bill & Melinda Gates Foundation awarded IDE a \$13.4 million grant to develop and promote its innovative methods for the rural poor in Africa and Asia.

IDE Canada Chair Al Doerksen, who played a key role in developing the India project said, "This grant provides the basis for enabling significant 'trickle down' access by poor farmers to the strong gains the Indian economy has been enjoying in recent years." **r** **T**

Read the complete press release and further information at www.ide-canada.org/news.htm

generate



Innovation. For poor farmers in Africa and Asia it's the key to survival. By investing in innovative low-cost technology and better markets, IDE supports creative solutions to poverty.

A \$250 investment in IDE generates at least \$300 additional annual income for one family.

For a person living on a dollar a day, that is in her own best interest.

interest

IDE Canada Board: Al Doerksen (President), Bill Fast (VP), Curtis Steiman (VP), Norm Fiske (Treasurer/Secretary), Art DeFehr (Founder), Gerry Dyck (Founder), Frank DeFehr, Ted Paetkau, Herta Janzen, Dr. Gerald Schneiderman.

IDE Canada Staff: Stuart Taylor (Executive Director), Harry Olfert (Donor Relations), Cameron Derksen (Project Officer)

About IDE Canada

IDE Canada is a Canadian non-profit organization dedicated to increasing the income of families living on less than a dollar a day.

Since its beginning in 1981, IDE has helped to increase production and income in Africa and Asia by designing and marketing extremely low-cost products such as pedal pumps, irrigation kits, and water purifiers. IDE also develops markets that provide better opportunities for poor people.

IDE Canada is a member of IDE's international network, which currently has offices in Bangladesh, Cambodia, Myanmar (Burma), Nepal, Vietnam, Ethiopia, Zambia, Zimbabwe, India, UK, and USA.



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