Exploring Marketing Transformations: A Marketing Systems Approach to Understanding Impoverished Contexts

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Abstract

Scholars have investigated the role of marketing in impoverished contexts for decades. A historical review of this literature from World War Two onward identified four key themes: a persistent rhetoric regarding the need for transformation of impoverished contexts; an ongoing lack of investigation of available resources in such contexts; a general consensus that markets therein are inefficient; and an ongoing debate regarding the role of local intermediaries in these contexts. These interrelated themes give rise to the key research questions of the dissertation which are explored across three papers. The first paper explores the potential effects of a transformation recommendation in impoverished contexts. Through identifying and discussing the important resource of community knowledge, this propositional-based paper delineates both the social harm and the benefits that can occur if companies appropriate this resource. It also provides a theoretical framework to guide marketers in their transformation activities. The second paper explores a foundational concept in marketing, that of efficiency, in relation to understudied available resources in impoverished contexts – conceptualized as capitals. It provides a more appropriate goal of efficiency, that of well-being efficiency, and creates an Integrated Capitals Framework, while examining the implications of the relationships between these capitals for marketing and development. The third paper of this dissertation, using an inductive approach, investigates the role of traditional intermediaries in impoverished contexts. The author conducted interviews with small-scale intermediaries and collected observational-based data in the Republic of the Union of Myanmar. The findings indicate that these small-scale intermediaries, through pooling, meshing, and mobilizing, contribute to the resilience and well-being of their system, with implications for resilience theory and for the transformation recommendation of disintermediation. Across the three papers, the dissertation furthers marketing scholarship within important theoretical areas. It joins the growing number of critiques regarding approaches to marketing and development through challenging existing assumptions aimed at transforming impoverished contexts by calling for and contributing to a marketing systems perspective towards improving well-being. It also provides insights for practitioners and policymakers who engage in these contexts.

Keywords: poverty; macromarketing; development; community knowledge; capitals; resilience
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Chapter 1.

General Introduction

Poverty is a critical issue facing the world, with poverty in this case being defined as deprivation in well-being (World Bank 2000). In recent years, business practitioners (Kotler, Roberto, and Leisner 2006) and academics (Kolk, Rivera-Santos, and Rufín 2013) from marketing and other disciplines have paid increasing attention to impoverished contexts. Despite this recent resurgence in attention, and although some academics have argued that marketing is not important to the development of impoverished contexts (Hosley and Wee 1988), numerous marketing academics have long researched and theorized about the role of marketing in such contexts. This introduction, based on a literature review from the post-World War II period until the present, examines four central ideas in marketing and development and introduces the central concepts of the dissertation. These four concepts include: a persistent call for transformation; a focus on a lack of resources; repeated emphasis on the inefficiencies of these contexts; and a debate regarding the role of marketing intermediaries in impoverished contexts.

Marketing literature across the past 70 years generally views impoverished communities and the individuals in which they live as have-nots requiring transformation across their sociocultural and economic landscapes. Transformation is defined as changing the form and/or elements of impoverished contexts, in this case through marketing activities. The need for transformation is intertwined with the rhetoric of deficiencies – including deficiencies in resources. Such resources are assumed to be constrained and this focus on deficiencies has only recently been tempered by an interest in learning from these contexts, such as understanding the resources that are available there, rather than focusing solely on what these areas and individuals lack. Relatedly, ongoing dialogue across the literature discusses the idea that these contexts are plagued with inefficiencies and there has been considerable discussion about what can or should be done about these inefficiencies. Associated to this issue of inefficiencies, scholars have debated the role of one of the most prevalent forms of
marketing actors in these contexts, that of the numerous small-scale market intermediaries.

Across the review of these four key elements, marketing academics have, in general, proceeded with pre-existing underlying assumptions that act as blinders. These assumptions influence the research questions asked and investigated in these contexts, the suggestions made to practitioners, and the areas identified for future research. Further, although recent years have seen an explosion in the number of both academics and practitioners interested in such contexts, Wilkie and Moore (2012) argue that many of the now dominant ideas within marketing evolved in response to growing wealth. It could be that examining and answering pressing – and historically rooted – questions regarding impoverished contexts will provide an influx of new ideas and theories that correct this imbalance in marketing literature. By bringing to light these potentially limiting assumptions and reinvigorating debates, this dissertation challenges the status quo and calls upon academics to investigate new avenues and areas crucial to the area of marketing and development.

Through tackling these assumptions and situating the four interlocking, and currently shrouded and debated, constructs within 70 years of historical marketing thought, this dissertation investigates the four following research questions. What could be the impacts of marketing transformations in impoverished contexts? What resources already exist in impoverished contexts? What does the oft-used word “efficiency” mean and how can it be employed in impoverished contexts? What role do local intermediaries play in impoverished contexts? These questions are tackled across three papers. The first paper theoretically examines the potential impact of a specific transformation in impoverished contexts. Interrogating a specific transformation suggestion, that of social embeddedness, this paper proposes harm and the benefits that can occur if companies appropriate the cultural resource of community knowledge and provides a framework to guide intervention attempts. The second paper defines a more appropriate and precise definition of efficiency, that of ‘well-being efficiency,’ and draws upon community resources – conceptualized as capitals, to create the Integrated Capitals Framework that can be used towards achieving well-being efficiency. The third paper of this dissertation, using an inductive approach based on fieldwork in Myanmar, investigates the role of traditional intermediaries in impoverished contexts. The findings indicate the work of small-scale intermediaries contributes to resilience in their system.
This general introduction is structured as follows. It first details the lens that underpins this dissertation. It then presents a detailed historical review of the literature related to the four key concepts central to this dissertation’s research questions. This chapter then concludes by linking these research questions to the three papers of this dissertation.

1.1. The Lenses of this Dissertation

Three key aspects collectively shaped this dissertation: a focus primarily on marketing’s role in relation to impoverished contexts, this despite the importance of also viewing such contexts through other disciplinary lenses; a marketing activist perspective rather than a view of marketing as a passive factor; and a wider conceptualization of marketing, one taking a marketing systems perspective that also includes distribution. These aspects are discussed, in turn, below.

1.1.1. The Lens of Marketing

Marketing is not the only discipline that has already and could continue to contribute to scholarship on impoverished contexts. Many other disciplines have also contributed to our understanding of poverty and related social issues. For example, academics and practitioners from economics, public policy, history, law, and, of course, development studies focus on development. For example, best-selling books in economics have explored the lack of rights, choices, and overall freedoms that those in poverty experience and the need to address these lack of freedoms (Sen 1999); the importance of structured development aid (Sachs 2005); and the self-perpetuating nature of political imbalances that negatively impact both inequality and poverty (Stiglitz 2012). However, the attention being paid by other disciplines in no way lessens the need for a focus in business, and, in particular, in marketing on these same issues.

Indeed, the marketing lens can be an especially important one. For example, Shapiro and Shultz (2009) discuss current development controversies, including the impact of free trade and globalization’s pluses and minuses, that have received considerable attention from such other fields of inquiry such as politics, law, foreign affairs, and economics. They nonetheless call for an increasing focus in marketing on these same social issues since marketing academics are well qualified to provide unique
insights that could further our understanding of development. Further, given the relevant amount of academic research in the area of marketing and development, it appears that some believe marketing does indeed have something to contribute in this area. In the words of Hosley and Wee (1988), “there is no doubt that marketing has a role to play in… development” (p. 50), where marketing is both impacted by and impacts society (Firat, Kumcu and Karafakioglu 1988; Kotler 1988; Shapiro and Shultz 2009).

Consequently, this dissertation is rooted in marketing literature. However, it also draws upon other literatures, including the wider business literature as well as literature from law, sociology, health sciences, and development, among others. Such a wider perspective is appropriate, indeed it is essential, given the systematic issues involved in development.

1.1.2. Taking an Activist Approach

One finds in the marketing and development literature two differing perspectives, that of determinists and that of activists. These differing perspectives had their roots in the 1960s, when there first was an ongoing debate about whether or not marketing had a role to play in development. The determinists saw marketing as a passive factor, solely an outcome of developmental progress in other areas (Savitt 1988; Taylor and Omura 1994). The activist school, however, argued the opposite, contending that marketing, given the potential benefits it might provide and the role it already played in economies, was essential to development.

Determinists argued that since marketing channels only evolve as development progresses, marketing has a negligible causal impact on that development (Hosley and Wee 1988) and, therefore, on impoverished contexts. This determinist approach was seen as appealing to multinational enterprises (MNEs), suggesting that they did not have to take an active or aggressive role in solving wider development ills. Rather they were just required to wait until development occurred before engaging in marketing activities (Hosley and Wee 1988). Further, determinists academics went on to argue that ‘organized marketing’ was not needed in impoverished contexts populated by ‘primitive people’ who function in informal markets and trade primarily with neighbours (Cundiff and Hilger 1982). In this way, a clear demarcation was made between the systems
operating in these contexts and those operating in non-impoverished contexts, where the latter was seen as ‘marketing’ and the former not.

However, this determinist perspective was criticized by other academics who provided many examples of marketing shaping the development of marketing systems. For example, American retailers, and especially the department store Sears, were credited with bringing ‘modern retailing’ into Latin America from the late 1940s onwards. Such MNEs were applauded for providing consumers with more product options and a motivation to work more so as to earn more, both factors, it was argued, that would contribute to further development (Hosley and Wee 1988). As such, in contrast to the determinists, activists believed that marketing could stimulate development and therefore positively impact impoverished contexts. For example, research between post WWII and the 1980s found that the benefits of marketing included saving consumers both time and money, increasing consumer demand, developing entrepreneurs and managers, and generating profit (Wood and Vitell 1986). The activists argued these benefits had a role in achieving development objectives around the globe.

To that end, the activists called for modifications to existing marketing institutions, as well as the creation of new ones, including ones that would better meet distribution, credit, and transportation needs (Hosley and Wee 1988; Kinsey 1982). In addition, activists called for the transfer of Western marketing techniques to developing countries (Cundiff and Hilger 1980) through dissemination by MNEs (Kinsey 1982). Beyond just focusing on the role that marketing could have on economic factors, some activists believed that marketing could also address social issues and thereby improve quality of life. Marketing efforts focused on family planning and financial savings, efforts which had been noted as successful in certain markets, were cited as cases in point (Hosley and Wee 1988). However, within the activist camp, concerns were also noted about the negative aspects associated with a marketing approach to development (i.e. Hill and Stephens 1997; Belk 1988; Cundiff and Hilger 1982).

Overall, as evidenced by the research quantity produced by the activist camp (Savitt 1988), there was considerably more academic support for the activist position, as opposed to a determinist one (Hosley and Wee 1988). This dissertation takes an activist perspective, with the conviction that marketing can and does impact and play an active role in development, a role, and the impact it brings, that needs to be further understood.
1.1.3. A Marketing Systems Perspective

In addition to using a marketing lens while taking an activist approach, this dissertation also takes a marketing systems perspective. The often called ‘founding father’ of modern marketing thought, Wroe Alderson (1957), argued that marketing was systems driven. Alderson's systems approach included considering the roles of the producers, the distributors, the firm itself, the customers, the ultimate end consumers, and the interactions taking place between these entities in organized behavior systems (i.e. Alderson 1957; Alderson and Cox 1948). However, by the 1960s, the marketing literature began focusing on the marketing mix (the so-called ‘4Ps’ of product, place, price, and promotion). This led to a shift toward an almost exclusively managerial – and thus micro – conceptualization of marketing, one where consumer behaviour and activities within the firm were paramount (Shapiro 2006). Within this micro focus, the end goal was primarily to create products that would be routinely, regularly, and repeatedly purchased by customers (Grönroos 1997). This shift within marketing towards a micro focus was accompanied by distribution splitting off from marketing and becoming a discipline of its own (Svensson 2002). However, more recent decades have seen a shift back towards the ‘Alderson approach’, with the rise of macromarketing, which is focused on understanding the influence between marketing and society; a call for reintegration of distribution and marketing (Alvarado and Kotzab 2001; Shapiro 2006; Svensson 2002); and, most importantly, renewed interest in a marketing systems approach.

Marketing systems are defined as networks within a social matrix which are linked through exchanges and which create value through providing products and services, as well as experiences and ideas in response to demand (Layton 2011). This dissertation takes such a systems perspective. This approach is taken for two key reasons: the role of systems in society and its allowance for a focus on a wider set of elements beyond the economic. Marketing systems are intertwined with the social matrix (Layton 2015), where macromarketing is called upon to take a systems perspective when tackling ‘big issues’ such as development (Shultz 2007). Possibly, the renewed systems approach focus on wider societal implications is consistent with, and may well have influenced, the American Marketing Association’s most recent definition of marketing, “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA 2013). The marketing systems approach necessitates a detailed
understanding of the myriad of elements that both shape and challenge impoverished contexts.

In summary, then, this dissertation employs a marketing lens, reflects an activist perspective, and takes a wider, systems view of marketing. It is also rooted in the historical literature of marketing as it relates to development and impoverished contexts.

1.2. Historical Review of Marketing in Relation to Impoverished Contexts

How was the historical literature review that lays the groundwork for the research questions in this dissertation dealing with marketing and development in impoverished contexts generated? At first, a broad reading of the literature relating to poverty and marketing from 2000 onward was undertaken, one using key search words such as “base of the pyramid,” “bottom of the pyramid,” and “subsistence marketplaces”. These terms were used both to identify relevant sources in Business Source Complete, as well as to search reference lists expected to reveal additional material. Subsequently, this broad reading widened even further to include non-marketing business articles and books that had also influenced marketing thought in this time frame of 2000 onwards. Reading of the papers within this literature review resulted in the identification and documentation of the four provocative themes in the literature that are explored across my dissertation: a rhetoric of transformation in these contexts being hampered by widespread resource deprivations, inefficiencies, and problematic local intermediaries.

Examination of the reference lists accompanying the literature from 2000 onward revealed an interesting omission. That literature, dominated by the major business and development stream of ‘base/bottom of the pyramid’ and ‘subsistence marketplaces’, demonstrated a disturbing lack of awareness of, and connection to, marketing and development literature published prior to the 2000s. Consequently, the literature review was expanded to include a broad reading of the relevant predecessor literature from immediately after WWII to 2000 as it related to the central concerns of this dissertation. WWII was taken as a starting point given that it was in the wake of WWII that marketing academics became increasingly interested in the role of marketing in development. This interest in the “gradually widening acceptance of the role that marketing plays in economic development” (Cundiff 1982, p. 18) carried on throughout the following
decades. In this earlier literature one does indeed find reference to the underlying held assumptions and rhetoric, to the neglected debates, and to the complexity around the key issues in marketing and development explored in this dissertation.

1.2.1. Post-WWII to 1980s

Post WWII, economic development was primarily defined as “rapid and sustained rise in real income per head and shifts in technological, economic, and demographic characteristics” (Kinsey 1982, p. 65). During this time, there was a focus on increasing incomes (through increased industrialization) and controlling populations (through provision of contraceptives) to combat poverty (Kotler, Roberto, and Leisner 2006), activities often undertaken both by nongovernmental organizations and governmental agencies. Indeed, in the wake of the Second World War, governments increasingly aimed to support their impoverished through the provision of infrastructure and institutional arrangements (Elyachar 2012). The focus of business practitioners in impoverished contexts during the 1950s and 1960s was largely not on poverty alleviation, but, rather, on production to serve the war-torn markets of Europe and Asia (Hunt 2012). However, by the 1970s, marketing was called upon to take responsibility for the world’s largest market segment, the billions of impoverished individuals with unsatisfied needs, by seeking to reduce, and, ultimately, eliminate the negative impacts of poverty. Businesses were therefore called upon to go beyond profit-making to include addressing social issues such as disease and malnutrition (Lavidge 1970).

This acceptance and increasing focus on the relationship between development and marketing was initiated by the publication of Drucker’s seminal paper in 1958 (Wood and Vitell 1986). In this work, Drucker (1958) alerted marketing academics to the relative lack of focus on the then all but neglected topic of marketing and economic development. He contended that marketing can (and arguably should) actively contribute to that development. He highlighted both the challenges impoverished contexts face regarding the implementation of marketing techniques, as well as the possible benefits marketing could bring to such areas. According to Drucker (1958), certain barriers stood in the way of progress being made. Impoverished contexts were thought to be plagued by marketing systems that could not self-generate and grow. This was due to, according to Drucker (1958) a local “inability to organize economic efforts and energies to bring together resources, wants, and capacities” (p. 255), thus leading to low incomes and
productivity. These issues were, per Drucker (1958), complicated by high marketing costs such as waste in distribution and a prejudice against intermediaries within the marketing system. Through better understanding both of economies and societies, by encouraging entrepreneurship, and creating suitable marketing channels, Drucker (1958) argued, appropriate marketing systems in impoverished contexts could be established, systems that would lead to improved developmental outcomes. As such, foundational work discussed both deficiencies and potential transformations aimed at these contexts.

This seminal piece paved the way for a number of subsequent studies related to marketing and economic development, including a 1965 American Marketing Association Proceedings volume on that topic (Klein 1985). The literature that followed documented a relationship between marketing and economic development, especially as scholars began in the 1960s and into the 1970s to focus on comparative studies (Cundiff 1982). This line of research compared one country to another, an approach which was expected to provide new insights into economic development issues. However, such studies were thought to be plagued with methodological concerns such as insufficient comprehensive marketing data, lack of interdisciplinary research teams, and a dearth of focus on relevant local and environmental factors within marketing systems (Shapiro 1965). There was also lack of comparability between studies due to an absence of a common framework (Shapiro 1965), and ethnocentric bias in the comparisons made (Firat, Kumcu and Karafakioglu 1988). Although these studies found similarities such as seeming low product quality, restricted product options, low volume sales, high margins, and reliance on local intermediaries such as general stores, there was no real explanation provided as to why these commonalities arose (Shapiro 1965). In other words, there were widespread challenges both in pinpointing development issues and their causes and in paving the way forward.

Consequently, from WWII to 1980s it was not empirically clear what mechanisms would facilitate development (Cundiff 1982). Nonetheless, hypotheses, including ones around efficiency and intermediaries were put forward. One hypothesis was that improving the efficiency of marketing systems would help to improve economic conditions in impoverished contexts. The call for improving efficiency was intertwined with increasing interest in marketing’s role in social and economic progress, with improved resource utilization and more efficient distribution advocated as ways of
bringing material wealth to a greater number of individuals (Lavidge 1970). The focus on efficiency started in the 1960s (Hirsch 1961; Slater 1968) and concentrated primarily on distribution and how to improve it (Hosley and Wee 1988). Studies in low income countries in the 1960s and 1970s, which largely focused on food marketing systems in Latin America (Bucklin 1976; Kriesberg 1968), identified a number of inefficient aspects of these systems (Wood and Vitell 1986). Local distribution was criticized for its high transportation costs (Goldman 1974), lack of strategic plans (Yoshino 1971), lack of employment options, challenges with communication and transportation infrastructure, and low barriers to entry driving up competition and lowering profits for intermediaries (Mueller 1959). Identified contributions to inefficiency also included consumer aspects, such as lack of awareness of product alternatives, loyalty to traditional shops (Goldman 1974), scarce comparative pricing information (Mueller 1959, cited in Shapiro 1965), and exclusive reliance on word of mouth (Cunningham, Moore, and Cunningham 1974). Collectively, these factors were thought to contribute to lower overall economic development (Wood and Vitell 1986).

As such, during this time, efficiency was a cited goal and transformation attempts were suggested. Improving distribution in systems was thought to be crucial to rectifying issues with efficiency (Hirsh 1961) and thus development. The literature called for a number of interventions in impoverished contexts such as realigning marketing goals (Preston 1967); improving microlevel marketing (Drucker 1958); encouraging consumption of ‘modern’ products (Freedman 1970); introducing marketing innovations (Cundiff and Hilger 1979); and strengthening delivery and market information systems (Goldman 1974) through improved coordination along supply chains (Galbraith and Holton 1955). Given the numerous and varied suggestions about possible improvements that were made, it is interesting that this work on distribution inefficiencies and the potential solutions, with limited exceptions involving comparative studies, was not subject to much empirical examination (Wood and Vitell 1986).

Within the discussions around distribution, whether local intermediaries should be removed or aided was the subject of some debate (Shapiro 1965). On the one hand, some scholars maintained that aggregate ‘modern’ retail outlets could bring about both increased consumption and subsequent production in impoverished contexts if companies efficiently sold a number of high volume products at low margins and low prices (Slater 1965). Arndt (1972) provided a complementary idea, where he maintained
that there was a relationship between growth in the size of retail outlets and economic
development. Consequently, some academics argued that disintermediation within
marketing channels was needed. Reducing the number of intermediaries was thought to
to potentially reduce distribution costs and increase the profits of remaining intermediaries
(see Shapiro 1965). Further, Slater (1965) maintained that local retail outlets in
impoverished contexts were created out of habit and from a lack of other options and did
not have an important or relevant social component. However, other academics raised
questions as to whether forced elimination of intermediaries “might adversely affect other
existing economic arrangements” (Mintz 1956, p. 22) and found few alternate
employment opportunities for those displaced (Shapiro 1965).

Despite the calls for disintermediation, individual entrepreneurs in general were
at this time largely viewed as important contributors to economic development (Cundiff
and Hilger 1979). Local intermediaries were thought to aid development by identifying
market opportunities and offering financial credit to citizens (Moyer and Hollander 1968),
while playing a significant social role. For example, store owners, although reported to
work longer hours for lower pay than comparable government employees, accrued and
provided social benefits from being an ongoing and active part in their community
(Keegan 1980). Further, there might be logical contextual reasons for the ‘multiplicity of
middlemen’ in these contexts (Edgar 1972). Having numerous intermediaries was
thought to make sense in the face of the abundance of labor and the scarcity of capital
prevalent in these contexts (Bauer and Yamey 1954). Relatively high margins might also
be the logical result of two contextual issues: higher risks within the system demanded
higher rewards, while lower volumes of sales required higher margins to produce a
livable income (Hilger 1978).

Consequently, some scholars argued that local intermediaries should be
encouraged rather than eliminated. Marketing in particular could support these
intermediaries and other local entrepreneurs who were thought to drive economic growth
(Drucker 1958). This could be done through creating a conducive environment by
offering training programs and marketing education (Cundiff 1982), encouraging
production for local markets, improving marketing infrastructure, and, overall, by
improving the image of marketing (Cundiff and Hilger 1979). However, creating such an
environment was thought to require overcoming widespread reluctance to changing
marketing structures in these contexts (Abbot 1968). Given this debate, Shapiro (1965)
called for greater research on the appropriateness of marketing system transformations involving a call to eliminate intermediaries. For example, to understand fully these potentially pertinent social elements, marketing experts were encouraged to engage in long term stays in underdeveloped countries (Emlen 1958).

Despite the academic interest in the role of marketing in economic development between WWII and the 1980s, due to the dominant focus on micromarketing, the topic remained largely outside the mainstream marketing literature and overall progress in the area was relatively limited (Wood and Vitell 1986). Further, interest in marketing in impoverished contexts waned over the decades (Klein 1985), with this likely due, at least in part, to methodological issues such as the concerns listed above regarding comparative marketing studies. This limited attention continued through the 1980s, despite calls for increased work in the area by Kotler (1982) and by Cunningham and Hunt (1982), and with the hope that increased interest in macromarketing would revive the topic (Klein 1985).

1.2.2. 1980s-1990s

In the 1980s, widespread global issues such as economic recessions, stagnation (Kinsey 1982), growing income inequality, continued population growth, and increased interdependence and migration between countries (Hosley and Wee 1988) were all recognized as impacting development. Attention was increasingly shifting towards a focus on the so-called ‘less developed countries’ which faced documented struggles including high unemployment and low productivity (see Hosley and Wee 1988; Kotler 1988). However, practitioners still generally viewed low income countries as areas to secure cheap labour and raw materials for production (Van den Waeyenberg and Hens 2008), while richer regions were seen as viable markets worth cultivating. This trend continued as the economic and political power of businesses grew globally (Bonsu and Polsa 2011), but businesses at this time did not generally play a large role in or focus on development. At the same time, disillusionment with contemporary development processes grew (Kinsey 1982; Kotler 1988), this leading to a limited resurgence in marketing as a source of potential alternatives to traditional development interventions.

While the early 1980s saw a dearth of research on the topic of marketing and development (Klein 1985), the latter half of the 1980s showed a resurgence of interest in
the topic (Kaynak and Hudanah 1987), including a number of conferences, especially those in the realm of macromarketing (Savitt 1988). At this time, development had a broader definition than before, with a growing acceptance of the role of non-economic elements (Dant and Barnes 1988). Development was defined as a “socio-economic transformation with the aim of improving living conditions for which economic growth and industrialization are essential” (Kinsey 1982, p. 65). This was a process thought to involve a focus on the material welfare, poverty alleviation, and industrial activities (Wood and Vitell 1986). However, this widening definition of development was tempered by marketing’s dominant focus on the goal of increasing economic efficiency through stimulating purchasing and ‘modernizing’ institutions (Dant and Barnes 1988).

Klein’s (1985) “The Role of Marketing in Economic Development,” echoing the work of the previous decades, argued that marketing systems were pivotal to development, systems which were comprised of certain aspects. He believed that countries were characterized by technical aspects (including physical and economic environmental factors) that drive production, and social aspects (including social values, rituals, and practices, social institutions, and cultural environmental factors) that drive consumption. No two marketing systems would be exactly alike (Kaynak and Hudanah 1987). Given the differences in environments between countries, Klein (1985) argued that it was imperative to consider these diverse aspects in order to understand marketing in developing contexts.

Further, Shultz and Pecotich (1997) brought their own focus to developing a model of dimensions that they argued contributed to development, with a focus on Southeast Asia. In particular, they identified that natural, political, macroeconomic, and social forces interact with the knowledge, education, executive, and marketing systems of a country, ultimately impacting the welfare outcomes for consumers, society, and nations. Natural forces include aspects such as geographical resources and weather, while political forces include desire for reforms and control, in combination with elements such as internal politics and chosen political systems. Relatedly, economic factors are formed by economic systems and ideologies, their respective performance, and consumer demand. Here elements such as privatization, deregulation, and competition were thought to play a role. Finally, social forces were thought to play a role in development, including aspects such as culture and cultural values, freedoms of interactions within and between groups (such as ethnic and national groups), and
demographic characteristics of the societies, including the role of women and youth in the society.

Similarly, given that marketing is rooted in unique cultures, understanding the specifics of particular marketing systems was essential (Hosley and Wee 1988). This approach was also developed by Firat, Kumcu and Karafakioglu (1988), who argued that marketing and development studies should take into account a multiplicity of historically rooted dimensions, rather than just focusing on the economic. These other dimensions included the social (acknowledging relationships and ensuring inclusion), the political (focusing on increasing participation), the ecological (understanding the environmental impact of activities), as well as the economic (“nourishing mental and physical capacities while allowing choice”) (p. 326), in order to bring about “balanced, enduring, and genuine development” (p. 327).

Challenges within these dimensions were thought to contribute to impoverished contexts. These challenges included inflexible social elements not conducive to growth, such as traditional norms and behaviours holding back distribution; failure to stimulate demand due to crippling high margins, low volume sales, lack of infrastructure, and inhospitable climates; the “lack of competitive vigor and individual resourcefulness” (Klein 1985, p. 59); government shortcomings; low local educational levels; “lack of work, saving, and investment ethic” of locals (Kotler 1988, p. 2); and local reliance on unchangeable traditions (Kazgan 1988). In addition to these issues, other major barriers to development more specifically related to marketing documented in the literature included widespread resistance to understanding the importance of marketing (Cundiff and Hilger 1982) and the poor image of marketing and intermediaries in impoverished areas (Kaynak and Hudanah 1987). As such, individuals, communities, and processes were all seen to be problematic in these contexts.

A wide range of transformations were advanced as ways of dealing with these cited problems: Marketing could assist in particular industries such as agriculture, trade, industrial sectors, and tourism (Kotler 1988); improve marketing services such as transportation, storage facilities (Kazgan 1988), and infrastructure, a term defined to include credit, distribution, promotions, and research services (Cundiff and Hilger 1982). Klein (1985) argued that ‘established behaviour patterns’ can be hard to overcome, especially in underdeveloped countries that have previously, to his mind, experienced
relatively little social change. He therefore argued that any changes would require knowledge about how best to motivate local individuals while also seeking to create socially appropriate institutions. These changes were thought to be needed to improve economic efficiency (Kazgan 1988) and to facilitate consumption of necessities, while at the same time furthering the acceptance of (Western) principles of marketing (Cundiff and Hilger 1982). As such, in the 1980s, marketing contexts were seen to require very significant transformations.

However, some academics cautioned that changes in these contexts could cause problems. For example, Klein (1985) urged caution around forcing change within the systems in impoverished contexts, due to the belief that “if barriers to change exist, it is because they fill some human need. For these barriers to be overcome, the underlying need must be satisfied in another way” (p. 63). Further, transformations aimed at consumption patterns in these contexts could impact well-being, including harming feelings of community and undermining production and consumption of local goods (Belk 1988). Relatedly, academics noted wider concerns about encouraging unsustainable and excessive consumption (Cundiff and Hilger 1982), and the impact such transformations could have on equality, diversity, and resource use (Dholakia, Sharif and Bhandari 1988). This criticism was accompanied by the concern that there was a tendency to focus primarily on one channel as ‘the best one’ for development, failing to take a systems-wide approach (see Sørensen 1988). Increased understanding of such contexts, including of the marketing dynamics during development efforts (Kaynak and Hudanah 1987), was therefore called for in order to more easily adapt imported Western, or other developed country, business solutions (Hosley and Wee 1988). In this way, this time frame faced the same questions as had the decades before: what interventions – or transformations - of impoverished contexts are appropriate and how are they best carried out in the name of development?

In this vein, the focus on efficiencies and intermediaries continued through the 1980s. The distribution structure in lower income areas was deemed to be ‘fragmented and inefficient’, resulting in high consumer prices (Kotler 1988), while Klein (1985) questioned whether distribution channels – namely those with a high number and diversity of intermediaries – were inefficient, as previous academics had argued (i.e. Slater 1970). Klein (1985) acknowledged, similarly to previous work (i.e. Bauer and Yamey 1954; Hilger 1978), that perhaps scarce resources are conserved through the
use of the abundant and low cost labour characteristic of impoverished contexts. These contentions were debated, with some arguing that intermediaries may well serve a societal benefit by employing more individuals in a low-cost way (Keegan 1980). This was followed by calls to further understand the needs satisfied by current structures in impoverished contexts (Klein 1985), including both informal economies and ‘traditional’ systems.

Indeed, the 1980s saw the call to focus on informal economies, a topic previously all but entirely missing from the marketing literature (Robles and El-Ansary 1988). Robles and El-Ansary (1988) argued that the informal economy, as a parallel provider of goods and services, was an important contributor of resources to low income groups. They documented the sheer size of these informal economies, estimated to make up to 40% of gross domestic product and involving a very significant portion of the population in lower income economies. They also documented the various benefits the informal sector provided, these including employment, incomes, technology, low-cost distribution, and low-priced products. These authors noted that formal marketing institutions could source from or sell products to local intermediaries in the parallel system operating in informal sectors.

Similarly, there was a new literature on the so-called ‘traditional’ market systems found in low income contexts. Marketing was criticized for a tendency to view these low-income areas as having a dual system of traditional versus modern, with “older, more primitive, bazaar-peasant quality” systems working alongside “modern, firm centered, and based on the market economy [systems]” (Robles and El-Ansary 1988, p. 202). Savitt (1988) contended that marketing too often confuses ‘modernization’ with development, where, for example, the introduction of supermarkets is viewed as economic development in and of itself, without considering other, potentially harmful, effects that such a change may bring. The empirical evidence of the success of marketing innovations related to intermediaries such as supermarkets was inconclusive, with indications they do not always bring lower costs and ‘development’ (Savitt 1988). Indeed, Dholakia, Sharif and Bhandari (1988) documented concerns about findings that the replacement of ‘traditional’ (particularly the numerous small-scale intermediaries) with modern marketing institutions had a negative impact on lower socioeconomic groups, including reducing product choice, access, and attainability. Given these still unanswered questions, Klein (1985) called for future research into (in)efficiencies in
lower income countries, while Savitt (1988) argued for a research focus into the impact of transformational changes such as a consolidation of intermediaries.

As this debate continued, marketing was increasingly called upon to conduct empirical investigations. The majority of previous work in relation to marketing and development was criticized as being primarily normative and theoretical, with any empirical studies largely based on secondary data (Dant and Barnes 1988). Towards this end, Taylor and Omura (1994) synthesized evaluative criteria using a marketing lens, inferred from previous work, that they suggested could be used to examine development interventions by both governments and MNEs, through taking a historical perspective that accounts for variations between and changes to marketing systems. The need was for an approach accounting for multidimensionality, including non-economic considerations such as social, political, and psychological factors: one taking an apolitical stance by avoiding cultural biases; appreciating nonuniversality where findings might not be generalizable to other development contexts; and seeking to understand how both a region’s internal and its external forces influence development issues. This echoed the previous call from Klein (1985) and Firat, Kumcu and Karafakioglu (1988).

At the close of the twentieth century, the marketing and development literature continued to focus on the need for transformation, a need tempered by concerns about the impact of such interventions; on the importance of rectifying inefficiencies; and debating the importance of the roles of local intermediaries. However, the focus on impoverished contexts was a focus concerned with more than just economic factors. The end of the last century saw an increasing interest in the business literature on the local resources found in non-Western markets (Bonsu and Polsa 2011).

Globally, there was an increased focus on these markets, including the potential they could have, this largely being a result of the then recent fall of communism in the 1980s and the opening up of previously closed nations (Ricart et al. 2004). This was paralleled by attention to the largely reactive actions of external aid agencies supporting areas hit by natural disasters and conflicts (Kotler, Roberto, and Leisner 2006). At the same time, businesses were increasingly plagued by antiglobalization protests and concerns (Hart and Christensen 2002) and faced wider issues regarding growing
financial inequality (Hill and Stephens 1997). All this sparked increased interest in the role of marketing in development.

1.2.3. 2000s-2010s

At the turn of the century, global corporations desired to exceed, or at least maintain their double-digit growth (Hart and Christensen 2002) in the face of saturated home markets (Prahalad and Hammond 2002). This trend was coupled with slowing levels of investment due to the financial crisis in Asian and Latin American nations (Prahalad and Hart 2002), developments which prompted some of these global corporations to look to other markets. Market-led solutions were promoted as a potential solution to development within this global situation. Companies could increase, or at least maintain, their global economic growth by entering previously untapped markets, the markets of the poor (Prahalad and Hart 2002), dubbed the base (originally called ‘the bottom’) of the pyramid (BoP). This discussion of the potential role of business in poverty alleviation drew the attention of the wider business community (Prahalad 2005). The approach also triggered a very significant academic response, one that generated not only a steady stream of articles but also a number of journal special issues. For example, ten leaders of major organizations endorsed the BoP approach in the 2009 edition of Prahalad’s book and over a hundred academic articles were published in the 2000s (Kolk, Rivera-Santos, and Rufín 2013), and more into the 2010s.

BoP 1.0, as it has come to be known, was a market-led approach to poverty alleviation, a concept first discussed in a working paper developed by Prahalad and Hart (1999). This literature identified an opportunity to reconcile poverty alleviation with the profit motivation, with poverty in this case being defined as lack of access to economic resources (Prahalad 2005). While marketing had widened its perspective of resources to include both tangible and intangible elements that can be drawn on and acted upon (see Vargo and Lusch 2004), Prahalad (2005) focused primarily on tangible resources, namely financial and material wealth. ‘The poor’ were those making less than two dollars American a day as determined by purchasing power parity, a condition which reportedly applied to four billion of the world’s population (Prahalad 2005). Development, therefore, would aim to reduce the number living in poverty through ‘doing well by doing good’ marketing interventions. This market-led approach would be spearheaded by multinational enterprises, including both for-profits and non-governmental organizations,
although all forms of organizations can have a place in such an approach, including small-and-medium enterprises (Prahalad 2005).

At the center of the original premise of BoP theory was the idea that the poor pay more for their goods and services, this echoing a thesis of Caplovitz (1968), which BoP 1.0 dubbed the ‘poverty penalty’. Motivated, innovative, and cost-conscious companies could reduce the price of products and services (Prahalad 2005). Through providing individuals in impoverished contexts with more affordable, accessible, and available goods and services, and making them aware of the products, the so-called ‘4As’, companies could simultaneously alleviate poverty and make money (Prahalad 2005). Individuals in impoverished contexts would be ‘transformed’ into consumers and gain improved access to products and services currently out of their reach (Prahalad 2005). Prahalad and Hammond (2002) argued that this approach would not exploit local consumers; rather, MNE intervention would be all to the good.

Companies entering into such areas were cautioned about certain intractable constraints such as high illiteracy levels, price ceilings, and other structural limitations (Prahalad 2012), and warned that they were contexts rife with inefficiencies (i.e. Banerjee and Duflo 2007; Karnani 2007; Prahalad 2005; Varman, Skålén, and Belk 2012). Uninformed, poorly educated and often illiterate consumers in such contexts were already thought to be routinely exploited by inefficient intermediaries engaging in predatory practices (Vachani and Smith 2007), as Berry (1972) had previously argued, such as charging high prices and engaging in intimidation. Such a position has led to continued calls either to remove these problematic intermediaries (Prahalad 2005) or to transform them into acceptable ones (Ireland 2008).

However, some concerns remained regarding BoP 1.0 which had been criticized by Landrum (2007) as being ‘nothing new’. She argued that transformation suggestions inherent in the BoP 1.0 approach, such as the focus on income generation and the importance placed on innovations, had previously been advocated. Further, Arora and Romijn (2012) argued that the BoP 1.0 approach lacked an understanding of potential consequences and failed to see poverty as more than just low income and lack of product access. Although Prahalad and Hart (2002) noted the importance of cultivating a thorough understanding of the poor (as was advocated previously by, for example, Shapiro 1965; Berry 1972; Firat, Kumcu and Karafakioglu 1988; and Hosley and Wee
1988), primarily by having foreign workers seek to understand the local context, the BoP 1.0 approach was seen as divorced from the situation on the ground (Arora and Romijn 2012).

To address these concerns, rather than just creating faster, better, or cheaper products as espoused in BoP 1.0, BoP 2.0 advocates saw an opportunity for companies to become part of the local context and to foster the economic potential of communities through long-term, durable, and intimate exchanges based on trust and commitment (Simanis and Hart 2008, as described in Arora and Romijn 2012). BoP 2.0 is about acknowledging that companies do not have all the solutions. They may lack a thorough understanding of the local context and gaining this needed understanding requires them to forge relationships and deepen their involvement in the local context (London and Hart 2004). Similar to Emlen’s (1958) encouragement, the BoP 2.0 literature argues that a comprehensive local understanding can be achieved only through interacting in the setting. Within the BoP 2.0 literature, a process known as ‘social embeddedness’ (London and Hart 2004) involves members of an outside organization ‘living the local life’ through entrenching themselves in the local environment and using methods such as engaging in home stays, living on local wages, working local jobs, and taking local transportation for a period of days, weeks, or months, all this to better understand the situation at that particular BoP (Simanis and Hart 2008).

BoP 2.0 advocates recognized that these impoverished markets would not necessarily follow the development path of other markets (London and Hart 2004). In this way, solutions would ideally take advantage of the lack of formalized legacy systems in their contexts (Hart and Christensen 2002) and would capitalize on lack of resources. The companies serving impoverished markets could leapfrog local situations from their existing technologies into something more sustainable, bypassing the developmental stages through which developed countries had passed (Hart and Christensen 2002). These transformations would ideally potentially bypass wasteful and exploitative local intermediaries (Hart and Christensen 2002). However, Davidson (2009) questioned the ethics of displacing existing distribution outlets and established market intermediaries.

Increasing concerns around ethical issues have been expressed in some of the more recent literature discussing the espoused BoP approaches. For example, some argue that BoP propositions place too heavy a reliance on market outcomes, rather than
on legal, political, or wider social solutions (Karnani 2009), a position similar to the criticism of marketing and development previously made by Fırat, Kumcu, and Karafakioglu (1988). Further, “mainstream” BoP literature has been criticized for assuming that everyone wants to look and act like Westerners (London and Hart 2004) and for subordinating local cultures to the intervening MNE’s home culture (Bonsu and Polsa 2011). There were also concerns expressed about the exploitation of individuals in impoverished contexts given that such contexts generally lack formal regulation. Missing are the laws, rules, and limitations that protect consumers in other markets (Karnani 2009; Landrum 2007), including concerns regarding the provisioning of appropriate promotions and products (Davidson 2009).

Overall, BoP 1.0 and BoP 2.0 focused on radical changes required in these contexts. Consumers, markets, and even entire communities would need to be transformed through marketing interventions to rectify shortcomings, including the lack of resources, structural inefficiencies, and predatory intermediaries. Ethical concerns were noted, and BoP 2.0 was applauded for its increased attention to the poor and a better understanding of their lived experience (Arora and Romijn 2012). However, the BoP literature, in a systematic review, was found to be characterized by advice giving, rather than theory building; to rely on case studies rather than other forms of empirical work; to have a limited geographical scope; and to lack (balanced) reporting on impacts across economic, social, and environmental aspects (Kolk, Rivera-Santos, and Rufín 2013). Efforts at evaluation should be broadened, it was argued, to include other outcomes, including the relational, capability, and economic impacts (London 2009). This line of thought has been enriched by the more recent focus on subsistence marketplaces.

The subsistence marketplaces literature emerged in the late 2000s, and is aimed at deepening the understanding of the lives of the poor and learning from their existing traditions of marketplace activities (Viswanathan and Rosa 2010; Viswanathan and Sridharan 2009). Like BoP 2.0, it calls for a deeper understanding of the individual, communal, and cultural factors impacting local lives (Viswanathan and Rosa 2010), from which outsiders, such as marketing academics and companies, could then learn. Importantly, this gives credence to the idea that, “while it is typically assumed that knowledge transfer on marketing and development moves from the developed world to the developing world, there is much that developed market economies can learn from developing market economies” (Mittelstaedt and Shultz 2009, p. 346).
The subsistence marketplaces literature shifted attention away from merely arguing that businesses could alleviate poverty to a micro-perspective on how businesses, including local small-scale entrepreneurs, can play an important role in poverty alleviation (Viswanathan and Sridharan 2009). In a series of papers, originally largely based on qualitative research from India, Viswanathan and his colleagues seek to cultivate an understanding of this micro-level. In this work, subsistence marketplace literature has criticized local intermediaries for lacking specialization (Viswanathan, Rosa, and Ruth 2010; Weidner, Rosa, and Viswanathan 2010). This work reflects a return to a strongly held 1960s belief in the power of the local entrepreneur, while at the same time questioning the role of local intermediaries.

In addition to its stress on learning about and from the poor, the subsistence marketplaces literature also discusses how the situation can be improved in impoverished contexts – again through transformations. For example, Viswanathan, Gajendiran, and Venkatesan (2008) offered consumer literacy training to individuals living in an impoverished community in India. In a series of week-long courses, consumers were taught (Western-derived) business fundamentals of consumer tasks. Relatedly, Kolk (2014) conducted a longitudinal study of the coffee industry within five countries, studying the impacts of interventions from outside organizations in areas such as training on farming practices, certification programs, and joint marketing activities, where she argued that removal of local intermediaries would increase economic well-being of the farmers (Kolk 2014).

As the literature widens to include the role of the poor as both consumers and entrepreneurs, scholars in the 2010s are increasingly focusing on the resources that the poor have and use as well as on what they do not have. Recent marketing literature suggests that the resources the poor possess include social resources (Ansari, Munir, and Gregg 2012; Viswanathan, Rosa, and Ruth 2010; Viswanathan et al. 2014), production outputs (Kolk 2014), unique and creative coping strategies (Beninger and Robson 2014; Saatcioglu and Corus 2014), and dormant intellectual property (Shivarajan and Srinivasan 2013). Recent literature also recognizes that the community, in addition to the individuals and their markets, is also an important level to consider in these contexts (Gau et al. 2014; Lindeman 2014). These developments have paved the way for a more community-centric approach, where, for example, community empowerment involving social and cultural aspects is considered important to well-being.
(Lindeman 2014) and the external environment can create a variety of physiological, social, and political disadvantages (Saatcioglu and Corus 2014). Community-level transformations are therefore suggested, such as community-based initiatives, where business activities, supported by external influences or from a ‘nudge’ involving cooperative effort among local entrepreneurs, can contribute to poverty alleviation (Gau et al. 2014).

From 2000 to today, the rhetoric of transformation still exists. In the BoP 1.0 world, the poor should be transformed into consumers (Prahalad 2005) as well as ‘converted’ into microproducers, microinvestors, and microinventors by intervening (external) organizations (Prahalad 2012); BoP 2.0 argues for the creation of new communal entities, born from interactions between multinationals and previously existing communities, with this development thought to bring considerable benefit to both parties (Arora and Romijn 2012). The subsistence marketplace literature also calls for change, though on a micro-level involving individual consumers, producers, and their local communities. Overall, the literature maintains that transformation is an inherent part of the discourse about impoverished contexts. Despite emerging work on the resources that do exist in these contexts, the literature still has an overarching focus on what they do not have. This approach could be part of the larger Dominant Social Paradigm in macromarketing, where such a paradigm is a social lens that influences how we interpret the world (Mittelstaedt et al. 2014). In Western societies, this can mean, in part, a focus on market efficiency, competition over collaboration, and material wealth accumulation, where progress is associated with a material existence (Mittelstaedt et al. 2014).

Throughout the 2000s until today, the inefficiencies of impoverished markets are often implied or discussed. Indeed, local situations and actors are generally decried as inefficient (Banerjee and Duflo 2007; Karnani 2007; Prahalad 2012; Ritchie and Sridharan 2007), and scholars call for dealing with these inefficiencies (Prahalad 2012; Karnani 2007), through such actions as removing intermediaries, something which it is thought will also financially benefit external organizations entering these contexts (Hart and London 2005). Further, transformation activities undertaken by organizations in these contexts are applauded for their ‘efficient’ changes (i.e. Anderson and Billou 2007; Karnani 2007; Prahalad 2005), as efficiency improvements are thought to alleviate poverty (Varman, Skålén, and Belk 2012). As such, the same key issues around efficiency and intermediaries, as well as the need for improvement in both areas,
continue to be underlying themes in the literature in the 2000s and 2010s, just as they were in preceding decades.

1.3. **Key Research Questions: Transformation, Resources, Efficiency, and Intermediaries**

This historical literature review covering the post-WWII marketing and development literature reveals commonalities: a rhetoric of transformation, a focus on the lack of resources in impoverished contexts, an assumption that such contexts are inefficient, and an ongoing debate regarding the role of local intermediaries in the marketing systems serving such contexts. These issues are first summarized below and then linked to the corresponding research questions that are addressed in this dissertation.

1.3.1. **Transformation**

The rhetoric on the need for transformation runs through the literature since the 1950s. In this literature, although not often supported by empirical investigation, academics working in the marketing and development area have called for and suggested a variety of transformations. Seminal work underscores the importance of changing the local situation through such actions as reorganizing and creating new marketing systems and channels (Bucklin 1976; Cundiff and Hilger 1982; Drucker 1958; Goldman 1974; Hirsch 1961; Hosley and Wee 1988; Slater 1968); rectifying inefficiencies (Banerjee and Duflo 2007; Bucklin 1976; Karnani 2007; Prahalad 2005; Rostow 1965; Varman, Skålén, and Belk 2012; Wood and Vitell 1986); and changing or replacing local intermediaries (Hart and Christensen 2002; Ireland; 2008, Prahalad 2005; Shapiro 1965). Overall, the marketing and development literature maintains that transformation across a wide range of marketing elements is an inherent part of the discourse about revitalizing impoverished contexts.

Taking an activist perspective, one which contends that marketing can impact systems and development, it is imperative that marketing seeks to understand how such transformations would affect those living in impoverished contexts. But how in fact the marketing system and its community members would be affected is a topic that has seen far less attention in the literature, with the work in this area usually focusing on how consumers are impacted. For example, the impact of the following suggestions of
transformations from the literature could be investigated in relation to the wider community: engaging in the ‘social embeddedness’ process; improving efficiencies; and removing local intermediaries.

This gives rise to the first research question of my dissertation:

Research Question 1 (RQ 1): What are the impacts of marketing transformations in impoverished contexts?

1.3.2. Resources

The overarching focus on transformation has been supported by academic identification of what is going wrong in these areas, this in an effort to rectify deficiencies. Indeed, the focus over the last 65 years of literature, with some rare exceptions to this approach (such as Bauer and Yamey 1954), has primarily been on the lack of resources (see Goldman 1974; Kaynak and Hudanah 1987; Klein 1985; Mueller 1959; Prahalad 2005; Prahalad 2012) and the overall shortcomings of the people in these contexts (Berg 1970; Cunningham, Moore, and Cunningham 1974; Harper 1975; Hill and Stephens 1997; Klein 1985; Yoshino 1971). More recent work details how the poor lack tangible resources, specialized jobs (Banerjee and Duflo 2007), and formal institutions (Kolk 2014) such as infrastructure (Vachani and Smith 2008), knowledge networks access (Shivarajan and Srinivasan 2013), and the rule of law (Prahalad 2005).

However, some academics have called for a better understanding of these contexts (Anderson, Kupp, and Vandermeerwe 2010; London and Hart 2004; Mittelstaedt and Shultz 2009; Viswanathan and Rosa 2010; Viswanathan and Sridharan 2009). This was followed in the late 2000s by an increasing, but still nascent, focus on what impoverished contexts do have. In other words, there has been an increasing interest in understanding what resources may be prevalent in these contexts, rather than focusing solely on what these contexts and individuals lack. Though this approach to investigating what is available in these contexts could be criticized as ‘romanticizing the poor’ (see Karnani 2009), a strain of development literature argues that a wider conceptualization of resources is needed to understand the lives of individuals in contexts of poverty (Bebbington 1999). Likewise, sociology (Flora, Flora, and Gasteyer 2016) and practitioners (i.e. DFID 1999) take a multi-resource perspective when approaching
development issues. Individuals have indeed managed to survive, and even to thrive, in these challenging contexts. Seeking to understand what is functioning well in such contexts would not only provide a more complete picture; it could also suggest solutions to vexing development problems while at the same time informing business practices.

All this being so, the second research question of my dissertation is:

Research Question 2 (RQ 2): What resources do exist in impoverished contexts?

1.3.3. Efficiency

The literature has focused on how marketing can support the most efficient use of resources and the more efficient functioning of markets. Since WWII, marketing academics generally agree that impoverished contexts are inefficient. For example, local businesses (Banerjee and Duflo 2007; Karnani 2007), distribution channels (Ritchie and Sridharan 2007), and existing markets (Prahalad 2012) in impoverished contexts have been critiqued for their inefficiencies. Academics such as Karnani (2007) and Prahalad (2005) issued general calls to improve efficiencies, while business interventions in these markets are applauded for their rectifying of inefficiencies (i.e. Anderson and Billou 2007; Karnani 2007; Prahalad 2005). The business literature also subscribes to the belief that “efficiency translates into poverty alleviation” (Varman et al. 2012, p. 32).

Efficiency is an important concept in marketing; indeed, progress in achieving efficiency was declared to be a major goal in marketing 60 years ago (Alderson 1957). However, one finds a striking omission in the literature discussing efficiency in impoverished contexts. Dating back to the early 1950s, the term “efficiency” was never once defined or rigorously explored. Rather, efficiency has become used in marketing primarily as a proxy for economic efficiency, despite Beckman (1940) having argued that there could be different kinds of efficiencies over and above economic efficiency. The widespread use of efficiency, without a rigorous understanding of what it actually means, with all the resulting misuses and misunderstandings, is an issue that Beckman (1940) flagged for marketing academics more than three quarters of a century ago.

Providing marketing with a definition of efficiency, one which takes into account a wider set of resources beyond the economic, would reflect the emerging multi-resource perspective and provide a more holistic view of impoverished contexts. It will also allow
for more encompassing evaluations of marketing interventions related to development, evaluations which until recently have been heavily focused on the economic (as noted by Kolk, Rivera-Santos, and Rufín 2013). This being the case, the third research question explored in my dissertation is:

Research Question 3 (RQ3): What does the oft-used word of efficiency mean and how can it be employed in these contexts?

1.3.4. Intermediaries

As a way of improving efficiency, there have been repeated calls to transform impoverished contexts by removing or reorganizing existing so-called inefficient local intermediaries (Prahalad 2005). However, whether this is the best course of action has been the subject of much debate within the literature. Early work focused on how to change these local intermediaries (see Moyer and Hollander 1968; Slater 1965), while concerns about the impact of displacing or eliminating local intermediaries were also voiced (Bauer and Yamey 1954, Mintz 1956; Moyer and Hollander 1968; Shapiro 1965). In the late 1980’s, this topic emerged again, with academics asking whether or not intermediaries in these impoverished conditions were, in fact, a positive force in that they maximized scarce resources and provided needed low-cost work (Keegan 1980) and livable incomes (Hilger 1978).

Despite these earlier questions about the role of market intermediaries, the 2000s saw a resurgence in attacks on these ‘problematic’ elements. Such intermediaries were criticized for lacking specialization (Viswanathan et al. 2010; Weidner et al. 2010), being wasteful (Hart and Christensen 2002), engaging in predatory practices (Prahalad and Hammond 2002), and being inefficient (Prahalad 2005). This criticism has led to calls to remove (Prahalad 2005), transform, or replace intermediaries (Ireland 2008), even though one study has shown this transformation might not always have beneficial outcomes (Vachani and Smith 2008). It could be that existing intermediaries play a valuable role such as providing resources to these contexts. Indeed, a wider literature about market intermediaries in general notes the contributions such intermediaries make, including facilitating sales, innovation (Gassmann et al. 2011), and cross-border trade (Ahn et al. 2011).
Despite this recognition of the general benefits of intermediaries, some argue that these do not apply to the local intermediaries in impoverished contexts. However, to date there has been limited empirical work investigating the role of intermediaries in this context. But doing just that, empirically investigating the role of these intermediaries in their systems, would further our theoretical understanding of the role of small-scale intermediaries in traditional systems. It would also better inform marketing interventions.

This gives rise to the fourth and final research question of this dissertation:

Research Question 4 (RQ 4): What role do local intermediaries play in impoverished contexts?

Table 1 below both summarizes the key concepts as reflected in the currently dominant marketing literature, and the research goals and questions that are the focus of this dissertation.

Table 1: Overview of Concepts and Scope of Research

<table>
<thead>
<tr>
<th>Concept</th>
<th>Predominant understanding in literature</th>
<th>Investigation in Present Dissertation</th>
<th>Research Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformation</td>
<td>Change of markets, individuals, and communities is needed in impoverished contexts</td>
<td>Deepening our understanding of the rhetoric and the impact of transformation in impoverished contexts</td>
<td>What could be the impacts of marketing transformations in impoverished contexts? (RQ 1)</td>
</tr>
<tr>
<td>Resources</td>
<td>Impoverished contexts lack resources.</td>
<td>Seeking to understand a wider range of resources in impoverished contexts</td>
<td>What resources exist in impoverished contexts? (RQ 2)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Impoverished contexts are inefficient</td>
<td>Defining and exploring the concept of efficiency in relation to impoverished contexts</td>
<td>What does the oft-used word efficiency mean and how can it be employed in impoverished contexts? (RQ 3)</td>
</tr>
<tr>
<td>Intermediaries</td>
<td>Local intermediaries are wasteful or harmful in impoverished contexts</td>
<td>Understanding the role of local intermediaries in impoverished contexts</td>
<td>What role do local intermediaries play in impoverished contexts? (RQ 4)</td>
</tr>
</tbody>
</table>

1.4. The Three Papers of the Dissertation

This dissertation addresses these research questions in the three following papers. Paper 1 investigates a particular transformation recommendation, that of the social
embeddedness process. Bonsu and Polsa (2011) expressed a concern as to whether this process would lead to appropriation of resources (Bonsu and Polsa 2011). This paper focuses on the appropriation of a particular resource available in impoverished contexts – community knowledge. Such knowledge is the know-how and capabilities related to, for example, technology, ecology, science, and medicine (WIPO, n.d.). It develops generationally (Sillitoe and Marzano 2009) and is unique to a particular group of individuals (Turnbull 2009) from a particular environment (Subramanian 2010). Community knowledge is therefore community-held and found in communities worldwide (Hansen and VanFleet 2003). Despite its importance in our world, to date this area of research has received very little attention in the marketing literature. Importantly, this type of knowledge is often seen by academics and practitioners alike as different and inferior to other types of knowledge (Arora and Romijn 2012; O’Bryan 2004).

In addition to defining and describing this important resource through a marketing lens, this paper, using a propositional approach, builds on that caution of Bonsu and Polsa (2011) by detailing the potential benefits and harm that can occur as a result of social embeddedness in relation to traditional knowledge. Going beyond theorizing the outcomes in the forms of propositions, the paper also proposes a framework, one bridging ethical and legal approaches, that guides marketers in mitigating harm and generating social benefits while engaging in these contexts. This paper therefore provides insight into a previously overlooked resource in impoverished contexts (RQ 2), sheds light on possible outcomes of intended transformations in these contexts (RQ 1), and offers a way forward.

The second paper in this dissertation builds on paper 1 by investigating both what other resources, in addition to the cultural resource of community knowledge, could be available in these contexts and how these resources interact within a marketing system. Employing the lens of capitals and building on six capital frameworks, this paper suggests an Integrated Capital Framework which includes nine key resources in these contexts (RQ 2). It links efficiency of capitals to that of community well-being, through applying these capitals to a wider definition of efficiency (RQ 3), that of ‘well-being efficiency.’ Going beyond just focusing the goal to transform the economic efficiency of impoverished contexts (RQ 1), as previous work had unconsciously or explicitly done, it paves the way toward more comprehensively addressing well-being in these contexts. This paper therefore addresses recent calls to further our understanding of the resources
that may be available or constrained and to improve our theoretical understanding of the resources in impoverished contexts. It also brings clarity to the use of the word of ‘efficiency’ in relation to marketing systems and impoverished contexts.

Drawing on research in business and other fields, including health sciences and development, this paper also shows the relationships between these nine capitals. While a number of capitals have been discussed, both individually and loosely in smaller clusters, it does not appear that any one has explicitly explored the relationships between them: how a change in one capital can affect another, this ultimately impacting the lives of the individuals living in impoverished contexts. By detailing the relationships that might exist between these resources, the paper encourages academics and practitioners to take a systems perspective when approaching development issues since impacting one capital can either undermine or support other capitals within the system. Such a perspective provides a base from which to assess future marketing interventions. In this vein, the paper delineates the implications of the Integrated Capitals Framework on the suggested ‘4As’ of marketing in impoverished contexts. Thus, this second dissertation paper seeks to challenge an existing transformation recommendation regarding improving economic efficiency (RQ 1), while building a further understanding of resources (RQ 2) and efficiency (RQ 3).

The third and final paper of this dissertation builds on the previous two papers. In the marketing literature, there has been an ongoing lack of consensus, one supported by much discussion, but not much empirical work, on the role of intermediaries in impoverished contexts. Given the emphasis that recent work has placed on removing or changing local intermediaries (such as Prahalad 2005; Ireland 2008; Vachani and Smith 2008) and the sheer importance of small-scale intermediaries in impoverished contexts (Banerjee and Duflo 2007), the absence of empirical work on this subject is a matter of concern. Further, the paper links the push for disintermediation with a larger paradigm in of modernization. The modernization agenda is focused on replacing traditional systems in impoverished contexts (Goldman, Krider, and Ramaswami 1999). For example, local contexts should consume ‘modern’ products (Freedman 1970) from ‘modern’ retailing (Slater 1965).

This paper employs an inductive approach to investigate the relational dynamics of a local market system in the country of Myanmar. In doing so, it finds that small-scale
local intermediaries contribute to the resilience of the system. It identifies the unique work undertaken by small-scale intermediaries that contribute to resilience, this work including the creation of a pool of communal resources across a web of interrelations, which are then deployed in the face of disturbances. These findings call into question the current push for disintermediation through outlining the potential consequences to systemic resilience and community well-being if these intermediaries were removed. It also contributes to the wider emerging research on resilience in the business and marketing literature. This paper helps explore the following three research questions: the push for the transformation of disintermediation (RQ 1), resources in the system (RQ 2), and the role of intermediaries in these contexts (RQ 4).

In conclusion, across these three papers the dissertation is intended to contribute to emerging work on impoverished contexts and their marketing systems. The four research questions build on, interrogate, and revitalize the previous 65 years of work in marketing and development. It does so while tackling the assumptions underpinning Dominant Social Paradigm and modernization paradigm. More specifically, the paper challenges the Dominant Social Paradigms approach to marketing efficiency; contributes to our understanding of resources that go beyond that of material wealth, including the cultural resource of traditional knowledge and other communal resources; and, through studying the local system in Myanmar, considers the cooperative efforts that shape that system. Regarding the modernization paradigm, it draws attention to the importance of traditional elements, such as traditional community knowledge and other cultural resources, as well as local intermediaries within their traditional supply chain. Hopefully, the end result will be a contribution to furthering our understanding of the many complexities surrounding marketing and development.
Chapter 2.

Paper 1: Appropriation of Community Knowledge: Towards an Understanding of the Potential Harm and Benefits

1.5. Introduction

The Base of the Pyramid (also known as Bottom of the Pyramid or BoP) literature seeks to change the way companies approach doing business with the world's poor. This approach posits that companies can earn financial returns and alleviate poverty through selling products and services to the poor. Organizations, policy makers, and researchers have started to pay attention to the business-led opportunities present in this context (Agnihotri 2012). This is exemplified by the accolades for the Body Shop (Prahalad and Hart 2002):

“The Body Shop’s creative CEO, Ms. Anita Roddick, built a business predicated on understanding the basis for local rituals and practices. For example, she observed that some African women use slices of pineapple to cleanse their skin. On the surface, this practice appears to be a meaningless ritual. However, research showed active ingredients in pineapple that cleared away dead skin cells better than chemical formulations” (p. 12-13).

Included in the BoP *modus operandi* is the idea that corporations can make profits while alleviating poverty by appropriating knowledge embedded in BoP communities and applying market forces to develop this knowledge into profitable innovations. Companies are encouraged to conduct research and development on the poor through scientifically analyzing traditions and other knowledge bases towards the creation of new innovations (Prahalad and Hart 2002). However, if marketers follow the BoP approach without utilizing a process to share benefits and avoid exploitation, this free-riding acquisition would fail to alleviate poverty at the BoP and could cause social

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1 This paper was written by Stefanie Beninger and June Francis and was published in the *Journal of Macromarketing*: Stefanie Beninger and June N.P. Francis, Appropriation of Community Knowledge Towards an Understanding of the Potential Harm and Benefits, *Journal of Macromarketing*, (36, 2), pp. 183-197. Copyright © 2016 (SAGE Publications). DOI: https://doi.org/10.1177/0276146715592929. Reprinted by permission of SAGE Publications. It is cited in other areas of this dissertation as (Beninger and Francis 2016).
harm, especially in light of the power imbalance and lack of intellectual property protection for these communities.

This article is rooted in a macromarketing approach as it emphasizes the broader dimensions of marketing, including economic, social, and political aspects (Shapiro 2006). Further, it investigates and describes the potential consequences to society due to the activities surrounding a marketing system (Hunt 2012), by focusing on the marketing issue of community knowledge appropriation espoused by the BoP approach. Specifically, this study contributes to the extant macromarketing literature in three key ways.

First, the research explicates a particular form of knowledge, community knowledge, which has received little attention in marketing, but is particularly important when marketing in impoverished communities. Though multinationals have historically viewed community knowledge as different from scientific knowledge (Arora and Romijn 2012), or less valuable, awareness of the value of this locally-held knowledge is increasing (O’Bryan 2004) and more attention is being paid to the topic by academics (such as Hahn 2009). Nonetheless, despite increased interest in and the variety of examples of appropriated community knowledge, no broadly accepted and well-articulated definition exists for this type of knowledge (WIPO n.d.) and academic literature shows a dearth of research regarding community knowledge, especially in relation to the BoP and marketing. For example, with the notable exceptions of Mittelstaedt and Mittelstaedt’s (1997) and Arora and Romijn’s (2012) coverage of indigenous knowledge, a search of articles in Business Source Complete, peer-reviewed and otherwise, did not yield any BoP articles regarding community knowledge and its synonymous terms. We aim to rectify this gap.

Second, this article explores a central idea on which BoP strategies rest – that of knowledge acquisition and exploitation – by outlining the potential harm and benefits associated with utilizing community knowledge within the context of the BoP approach. With respect to discussing ways appropriation of community knowledge can harm poor communities, the article joins with a number of other critiques cautioning against wholesale adoption of BoP strategies as a panacea to poverty alleviation (i.e. Arora and Romijn 2012; Karnani 2007). The ways in which BoP strategies can cause harm and benefits are clarified through a conceptual framework that captures these effects in
relation to unique systematic issues in the BoP. This is especially important as negative outcomes can and do occur in the marketing system if the broader systematic challenges are not considered, and these consequences need to be illuminated while respecting the diversity of humanity (Hill and Martin 2014). Unfortunately, marketing scholars too often ignore these systematic issues (Hill and Martin 2014).

Third, like Saatcioglu and Corus (2014), this analysis contributes to discussions of fair marketing systems. Through proposing a framework that bridges legal and ethical solutions which could be used to guide organizations in their engagement with the BoP, these recommendations go further than well-intended advice to be “respectful of traditions” (Prahalad and Hart 2002, p. 12) while using these traditions in the creation of new products and services. This framework is particularly warranted given recent scholarship arguing that marketing managers may lack “moral maturity” (Hill and Martin 2014).

The remainder of the article is structured as follows: First, the main developments in BoP approaches are described, including the emphasis on immersion within communities. A detailed discussion of the definition and key features of community knowledge is then presented, including the benefits of it to society and intellectual property protection considerations. This is followed by an overview of potential benefits of community knowledge appropriation, as well as a delineation of the processes by which its appropriation could lead to social harm. The penultimate section provides guidance to marketers regarding potential solutions to minimize harm and enhance benefits of community knowledge use by organizations. The implications of these solutions and directions for future research are then discussed.

1.6. Poverty and Developments of the Base of the Pyramid Approach

People at the BoP occupy the lowest rungs of the global economic pyramid, making less than $1500US a year in purchasing power parity (Prahalad 2005) and living in poverty. Estimates place the number of people living in poverty across the globe in the billions (World Bank 2013). Poverty is defined as a pronounced deprivation in well-being (World Bank 2000), where well-being is defined as the access to and command over resources (Haughton and Khandker 2009). As such, those in the BoP face situations of resource
scarcity. Well-being “incorporates social, economic, and other aspects of what constitutes a fulfilled human life” (Lindeman 2014, p. 171). Additionally, well-being is related to capabilities, where Ansari, Munir, and Gregg (2012) argue that acquiring, developing, and retaining capabilities are essential components of well-being, as capabilities allow individuals to take advantage of social and economic opportunities. Life situations below the poverty line are also characterized by institutional gaps (Rivera-Santos, Rufin, and Kolk 2012), which include a lack of regulative institutions and legal protections.

The BoP theory emerged within this context. The first iteration, called BoP 1.0, described how companies can simultaneously make money and alleviate poverty through marketing appropriate products and services to impoverished people (Prahalad 2005). However, Simanis and Hart (2008) argue that this approach has and will fail in the long run because, under the BoP 1.0 theory, businesses remain separate from the BoP communities. It was in this context that BoP 2.0 was introduced. BoP 2.0 argues that companies, in particular multinational enterprises (MNEs), can work together with those in the BoP to create products, services, and processes aimed at poverty alleviation (Simanis and Hart 2009). Under BoP 2.0, companies work with the local communities through a “social embeddedness” process and become ingrained in the BoP community (London and Hart 2004; Simanis and Hart 2009) in order to “understand, leverage, and build on the existing social infrastructure…that relies on resources and knowledge in the external environment as sources of competitive advantage” (London and Hart 2004, p. 364).

The social embeddedness process entails members from the MNEs “living the local life” (Simanis et al. 2005, p. 8), such as homestays, living off local wages, and using local transportation (Simanis et al. 2005). For example, managers from Hindustan Lever Limited, which is a subsidiary of Unilever in India, “required new employees to spend six weeks living in these markets, and actively sought local consumer insights and preferences as they developed new products” (London and Hart 2004, p. 354). This knowledge acquisition process is undertaken to capture and generate innovative business ideas, with the end goal of creating a business endeavor, such as a business or a product (Simanis and Hart 2009). Through the social embeddedness process, the poor share their knowledge and understanding of their community. In return, MNEs provide the finances, business know-how, and global sales networks necessary to
advance the business idea. For the people in the BoP, poverty alleviation arises from
the community's involvement as partial owner of the resulting product or service,
capacity building, and infrastructure creation (Simanis and Hart 2009).

Beyond BoP 2.0, immersion as a means to foster deep understanding of the BoP
community and facilitate learning about the community is advocated throughout the BoP
literature. For example, Prahalad and Hart (2002) note the importance of examining and
identifying “useful principles and potential applications from local practices” (p. 12), while
others contend “success [in the BoP] will depend on knowing the BoP intimately” (Pitta,
Guesalaga, and Marshall 2008, p. 400). Additionally, the closely related subsistence
marketplace approach encourages deep understanding honed from social
embeddedness in the field (Sridharan and Viswanathan 2008), such as through
partnering with local entrepreneurs to “co-create customized solutions” (Viswanathan et
al. 2014, p. 12). Indeed, purposeful listening in these contexts is thought to “lead to
innovative solutions driven by individuals with expertise regarding the context”

However, this social embeddedness approach has been criticized as a way for
MNEs to tap into a previously inaccessible market through the “appropriation of
grassroots resources and innovations” (Bonsu and Polsa 2011, p. 242), where
appropriation, as a synonym for use, is defined as the “the act of…taking for one’s own
use” (“Appropriation” 2011, n.p.). Given that the BoP context is characterized by a
deprivation of well-being, including access and command of resources and capabilities
(Haughton and Khandker 2009), at the very least individuals and organizations should
avoid decreasing resources, capabilities, and opportunities for those in impoverished
situations. As community knowledge could be appropriated by organizations in their
quest to develop an innovation, a fuller assessment is needed about the potential harm
and benefits of such an approach.

1.7. Community Knowledge

Recent business literature has noted that “the poor possess immense reserves of
intellectual property” (Shivarajan and Srinivasan 2013, p. 382), or knowledge. One type
of such knowledge is community knowledge, also known as traditional knowledge.
Though related to collective memory, which is the “collective interpretation of the past”
(Schwartz 1982), community knowledge differs in that, in addition to collective interpretation, community knowledge also span the material accomplishments of a community including the technical, ecological, scientific, or medicinal know-how and capabilities (WIPO n.d.) that are unique to a given group of people in a particular place (Turnbull 2009) and develops over generations (Sillitoe and Marzano 2009). For example, community knowledge includes knowledge about sustainable irrigation by communities of Iranians (WIPO n.d.) and the use of traditional viticulture techniques by Italian communities (Cannarella and Piccioni 2011), among many others. Community knowledge, while historically marginalized, still represents the prevailing paradigm in many communities. Indigenous worldviews, a form of community knowledge prevalent in indigenous communities, are still dominant for over 370 million people living in more than 90 countries (World Bank 2013).

Community knowledge is based on a community’s adaptation to their environment over a long period of time. A community’s long historical association within a given ecosystem of plants, animals, and other natural resources results in community members collecting exhaustive levels of information about their local habitats and environments (Subramanian 2010). Additionally, knowledge of the natural world cannot be separated from other dimensions of the social and cultural world, as it can have spiritual value in addition to being of functional utility. For example, “the management of sacred groves and sacred sites which are still common in many tropical countries… also serve as a refuge for biodiversity in the area” (Subramanian 2010, p. 227). Likewise, the functional aspects of traditional knowledge are often not separated from the artistic. Instead, they form part of a unified system of understanding (Alikhan 2000).

Community knowledge is characterized by the act of sharing, using, and creating a shared understanding and identity (Dutfield 2000). Though Shivarajan and Srinivasan (2013) argue that much of the intellectual capital of the poor is “dormant and in disuse because of their lack of access to and exclusion from global knowledge networks” (p. 389), this is not necessarily the case, as community knowledge is very much in use in communities. Traditional knowledge plays “a very important role in communal and individual decision-making about, for example, farming, health care, land use, local governance, family affairs, interpersonal relations and exchanges” (Haverkort and Reijntjes 2010, p. 21). As such, this type of knowledge reflects the accumulated
knowledge of groups who share an intimate relationship with their local environments and is intertwined with a community’s way of life (Emery 2000).

1.7.1. Benefits of Community Knowledge

The outputs of traditional knowledge provide communities with tangible resources of economic value, including objects and services, and are used in exchanges both inside and outside the BoP communities. For example, Namibian communities gain economic income from their millennia old knowledge about the use of the marula tree in skincare and food products (WIPO n.d.). An estimate of the economic worth of traditional knowledge in the domain of pharmaceutical products is around $43 billion (Principe 1989). However, this number should be viewed with caution, given the assumptions that underlie these calculations (Dutfield 2000). Nonetheless, whatever the correct amount, traditional knowledge is of significant economic value for a community, especially in the areas of sustainable development (Dutfield 2000).

Further, as community knowledge is a means by which a community maintains, embodies, and develops its identity (Hansen and VanFleet 2003), it can be important for a community’s survival (Economic and Social Council 2013). Traditional knowledge and its expressions are important to maintaining the cultural heritage and vitality of communities, crucial elements for community well-being and development (WIPO 2013). For example, cultural continuity is integral to a community’s well-being, including reducing suicide rates among Aboriginal communities (Chandler and Proulx 2006; Fonda 2009). Given that an impoverished community consists of members who are, by definition, resource constrained, community knowledge and its ownership is an important resource to consider.

1.7.2. Protecting Community Knowledge

Since the community is the creator of this type of knowledge, community knowledge is considered the property of the community rather than that of any one individual (Hansen and VanFleet 2003). Though there has been previous work on shared resources in marketing (see Bardhi and Eckhardt 2012; Ozanne and Ozanne 2011), the community-owned nature of traditional knowledge has never been discussed in marketing literature. This omission creates the illusion that traditional knowledge lacks specific ownership. In
comparing private ownership rights with communal ownership, Mathew (2013) asserts that

“this system of exclusive and private rights is at odds with the traditional social and economic system in which local communities make use of, and develop and nurture, biodiversity. For example, seeds and knowledge on crop varieties and medicinal plants are usually freely exchanged within the community. Knowledge is not confined or exclusive to individuals but shared and held collectively, and passed on and added to from generation to generation, and also from locality to locality” (p. 34).

In addition to the lack of awareness about the ownership of community knowledge, intellectual property protection for community knowledge is currently inadequate. Currently, “no internationally accepted, uniform standard of protection of IP” (Mittelstaedt and Mittelstaedt 1997, p. 14) exists, and many legal regimes struggle to acknowledge and protect group ownership rights, thus creating institutional gaps in the protection of this type of knowledge. Conventionally, “intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce” (WIPO n.d.), and protected through trademarks, copyrights, patents, and secrecy. Protection of intellectual property gives the owner the right to prevent others from copying or exploiting the intellectual property and can be of enormous value in the marketplace. However, this protection is largely not afforded to community knowledge, given its community-owned nature and its perceived lack of novelty.

A key challenge that renders traditional knowledge incompatible with these conventional rights is that, “Western intellectual property protection is based on the twin premises that individual people can originate and own ideas” (Mittelstaedt and Mittelstaedt 1997, p.14). As noted, community knowledge is not attributable to any one individual. Additionally, traditional intellectual property rights are secured when the idea to be protected is not in the public domain, which is usually not the case with community knowledge. Free exchange of knowledge within a community has meant that traditional knowledge appears to be without ownership rights (Mathew 2013). Overall, the dominant intellectual property rights system is not designed to accommodate the collective nature of community knowledge (Mittelstaedt and Mittelstaedt 1997; Simeone 2004).
Further, community knowledge is not seen as novel, and therefore not protectable. This type of knowledge is often seen as antique, unchanging, and natural, where intellectual property is seen as modern, dynamic, and created by culture (Sunder 2007). This relates to other barriers inherent in protecting community knowledge under current systems, including the difficulty or impossibility of identifying the moment of invention as required by many jurisdictions, as well as the inability to show an inventive and non-obvious innovation, as this knowledge has been passed across generations (Andrzejewski 2010). Given these challenges, community knowledge is particularly vulnerable to appropriation.

However, over the last decade, major attempts have been made to address this lack of protection through international conventions and at national levels through specific laws. International recognition of the importance of traditional knowledge is illustrated by the adoption of the United Nations Convention on Biological Diversity (CBD), as well as the establishment of the World Intellectual Property Organization’s (WIPO) Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge, and Folklore. These and other conventions aim to secure agreement to international legal protection for traditional knowledge and other knowledge forms. For example, the United Nations Declaration on the Rights of Indigenous People asserts that, “Indigenous peoples have the right to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures” (Article 31.1).

Despite a widespread lack of understanding and protection, community knowledge is nonetheless relevant in its own right and, in particular, for the subsistence marketplaces and BoP approaches. The following section clarifies how and why community knowledge is sought as a source of innovation in the unique context of the BoP and the potential benefits and harm of appropriating community knowledge. The subsequent section proposes approaches to capitalizing on these social benefits while proposing strategies to mitigate harm.
1.8. Community Knowledge Appropriation

Use of community knowledge can occur when marketers engage in the BoP. Innovation processes rely, in part, on outside sources of knowledge (Cohen and Levinthal 1990). Though invention is an important contributor to innovations, they also can result from “borrowing” (March and Simon 1958, as cited in Cohen and Levinthal 1990) and marketing can play a role in this regard. Importantly, just like other forms of knowledge, community knowledge can be learned and used by those outside of its originating community. For example, knowledge gleaned from Samoan healers about the mamala plant has been used in AIDS drugs developed by companies (WIPO n.d.). Further, companies are increasingly seeking out community knowledge as a source of ideas for products to sell on the global market (Brascoupe and Endemann 1999).

Under the BoP approach, marketers socially embed themselves in BoP communities in order to foster understanding. Marketers have an overarching goal of creating products or services for these communities that are “culturally-appropriate and environmentally sustainable” (Simanis and Hart 2009, p. 5). Community knowledge, being culturally appropriate as per its definition and borne from the interaction with environments over time, would likely be viewed as valuable input for the resulting product or service. Even when marketers do not aim explicitly to appropriate community knowledge, the access afforded by cultivating a deep understanding and “living the local life” will increase the likelihood of its use. In short, as this type of knowledge is rooted in a community, marketers would not have likely known about it unless they had engaged in such embedded activities. Given the opportunity for organizations active in the BoP to access and use traditional knowledge, a clear understanding of the potential benefits and harm is warranted. The following section articulates a conceptual model of both potential social benefits and social harm arising from appropriating community knowledge, including the factors that affect these outcomes (see Figure 1).
1.8.1. Social Benefits from Community Knowledge Appropriation

Though how communities could benefit from the social embeddedness process is not explicitly included in the BoP 2.0 literature (Bonsu and Polsa 2011), potential benefits for the community could accrue if community knowledge were appropriated. The community could, for example, gain access to cheaper or higher quality products or services based on traditional knowledge if an organization produces these goods more efficiently or effectively, resulting in material gains to consumers. For example, home-made snacks were made by thousands of BoP women in Venezuela and sold by street vendors, before they were displaced by Nestlé’s factory-packaged wafer cookie, driving a sales increase of $90US million per year for Nestlé, illustrating the success of the endeavor in terms of revenue (Ireland 2008). Further, large organizations possess a wealth of knowledge, resources, and capabilities in regards to marketing that many impoverished communities lack. Transfer of this knowledge from marketers towards BoP communities may be possible, thus “leading to capability building among these communities” (Ansari, Munir, and Gregg 2012, p. 828), which could help to alleviate deficiencies in well-being.
Additionally, a motivated company could profitably market community knowledge regarding medicinal interventions and ecological practices, providing economic returns to the community and wider benefits to people around the world. For example, a benefit sharing agreement between South African indigenous peoples, the San, and HGH Pharmaceuticals Ltd. involved the mood altering succulent plant, *Sceletium tortuosum*. It resulted in the development, patent protection, and commercialization of a pharmaceutical solution based on research that leveraged knowledge from two rural villages in South Africa (Wynberg and Chennells 2009). Pharmaceutical solutions such as these can improve the health of people around the world. As such, in addition to potential benefits to individual communities and companies, innovations based on traditional knowledge could potentially contribute to solutions to many thorny issues such as medical illnesses, eco-diversity, and agriculture, which could have local as well as wider social benefits.

Despite these benefits to communities, companies, and the wider society, assessing the harm, if any, associated with community knowledge appropriation is necessary, as per the recommendation of Hill and Martin (2014) to “consider the totality of positive and negative effects marketing has on material environments” (p. 29). The following section discusses how and why appropriation of this knowledge has the potential to also lead to significant social harm.

### 1.8.2. Social Harm from Community Knowledge Appropriation

Though the concept of social harm is one that has been debated heavily in economics literature (see Montesano 2002 for an overview), criminology literature has developed the study of zemiology, or the study of social harm. In particular, zemiology focuses on harm brought about by society on a structural level and does not include harm inflicted on individuals borne from the physical world (Pemberton 2007). Four main categories of social harm include physical, emotional and psychological, financial and economic, and cultural safety (Hillyard and Tombs 2004). Importantly, these aspects of social harm are often interrelated, where one social harm can bring about another (Pemberton 2007). Further, social harm are contextual in nature, and a primary task when defining social harm is to “identify the determining contexts that produce harms” (Pemberton 2007, p. 36).
Due to the unique context of the BoP, community knowledge appropriation by marketers engaging in the BoP has the potential to lead to two aspects of social harm including financial and economic loss and harm to cultural safety. Financial and economic loss include loss of physical property and cash (Hillyard and Tombs 2004), while, as noted by Alvesalo (1999), cultural safety encompasses a variety of notions including, “autonomy, development and growth, and access to cultural, intellectual and informational resources generally available in any given society” (Hillyard and Tombs 2004, p. 20). The following describes the potential financial and economic harm and to the community that could occur, including the conditions under which they are likely to occur.

**Financial and Economic Harm of Community Knowledge Appropriation**

Appropriation of community knowledge can lead to financial and economic harm. As detailed above, a goal of companies under the BoP approach is to identify processes, products, or services that could be commercialized. Financial and economic benefits that a community could acquire from community knowledge appropriation could be undermined due to the lack of identification of specific beneficiaries (Bonsu and Polsa 2011), as well as lack of clarity around a mechanism by which to share profits (Arora and Romijn 2012).

As organizations monetize community knowledge, experience shows that the community is unlikely to receive equitable financial compensation. The United Nations estimates that “developing countries lose about $5 billion in royalties annually from the unauthorized use of [community] knowledge” (as quoted in Sunder 2007, p. 112). Additionally, indigenous groups often fail to receive financial compensation for the use of their intellectual property (Kennedy and Laczniak 2014). Key contextual factors can increase the likelihood of this kind of financial and economic harm to communities. These include the company’s lack of awareness or understanding that they are appropriating community knowledge, the power imbalances between BoP communities and companies, and lack of intellectual property protections for community knowledge.

Without a clear understanding that community knowledge is not free, but owned by a community, marketers may inadvertently appropriate knowledge that “appears” to be free for the taking. Indeed, a widespread lack of understanding and respect for community knowledge exists due to its reputation for being unscientific or antiquated
More insidiously, even if marketers understand and acknowledge community knowledge, they have little incentive to equitably compensate communities for creating the knowledge, and communities often have little recourse. This lack of incentive is arguably exacerbated in light of companies often holding the balance of power in the relationship.

The BoP approach “hides a world of unequal power relations in its folds” (Arora and Romijn 2012, p. 482). A fundamental power imbalance exists between the well-educated, globally-aware, and literate marketers and the often less-educated, less-literate, and regionally isolated individuals from the BoP. Wolf (1990) describes different modes of power, including organizational power and structural power. The former is the power that operates within the setting of interpersonal relations, while the latter organizes the structure of social settings by making some kinds of behavior possible, while making others impossible (Wolf 1990). Marketers entering the BoP control both of these modes of power.

Organizational power is slanted in favor of companies since they set the agenda of activities. Further, marketers maintain the balance of structural power as they hold the funds necessary to engage in the BoP. This amounts to controlling which behaviors are possible and impossible within that setting, such as deciding which business ideas warrant investment and who will receive any gains for the initiative. For example, when SC Johnson engaged in the BoP using a social embeddedness process, their resulting service in the BoP was “based on a partnership with a local, although U.S.-funded nongovernmental organization…rather than on collaboration with the community at large” (Kolk, Rivera-Santos, and Rufín 2013, p. 18). SC Johnson controlled the activities and the outcome, and the community did not. Therefore, though those in the BoP can be partners or partial owners under the BoP 2.0 process, the partnership is often an unequal one.

Although those in the BoP have less organizational and structural power in comparison to companies, access to intellectual property rights for their community knowledge could mitigate the effects of this power differential. However, as described above, intellectual property protection of community knowledge is largely underdeveloped or nonexistent. This is compounded by the influencing factor of institutional gaps in the BoP. Further, those in the BoP may lack the experience, unified
voice, and economic resources necessary to utilize any existing legal systems effectively. This puts those in the BoP at a decided disadvantage when using any protection mechanisms (WIPO n.d.).

Importantly, current intellectual property laws and the system for gaining these rights are not only inadequate for protecting community knowledge but favor companies, in particular multinational organizations (Simeone 2004). As such, intellectual property rights, when available, would likely be secured by the company rather than the community, especially given a company’s familiarity with intellectual property mechanism. Numerous examples of organizations securing intellectual property protections for information acquired from community knowledge can be found in the literature. Mitsubishi Chemical Corporation, for example, patented a plant called cunanini, which is used as a fast acting fish poison by indigenous peoples in South America (Bardi, Gutierrez-Oppe, and Rodolfo 2010). In this and other situations, community knowledge became the proprietary right of the organization.

In summary, lack of understanding about community knowledge by companies, power inequalities between communities and companies, and widespread dearth of intellectual property protection for community knowledge, could potentially cause those in the BoP to lose control over their property and thus suffer economic harm.

**Cultural Safety Harm of Community Knowledge Appropriation**

Appropriation of community knowledge by marketers can also undermine the cultural safety of BoP communities. As marketers engage in community knowledge appropriation and create branded products and services aimed at the local community, the resulting product or service will likely displace traditional BoP offerings. This is an especially dire outcome in resource constrained BoP communities, given that access to community knowledge is important for their survival, cultural continuance, and overall well-being.

Cultural safety harm is more likely to occur if professional marketers are involved, given their ability to increase demand for branded (and non-local) products. Marketers, as per their profession, possess marketing skills, increased resources, and formalized business operations, as well as the technical acumen needed to develop a widely marketable product or service. Company marketed products can replace local products
if they become more widely available, affordable, and accessible to consumers in comparison to community-offered products or services (Karnani 2007). Indeed, those in the BoP may have a greater susceptibility to advertising messages (Davidson 2009). Empirical evidence supports the contention that branded products can and do replace local products (Karnani 2007). For example, ITC Limited, a company based in India, convinced BoP “villagers to switch from low-priced products made by the cottage industry to the branded products carried by ITC” (Vachani and Smith 2008, p. 64). Using their proven marketing experience and bolstered by their deeper pockets, marketers can reach and entice customers more effectively and efficiently than those in the local community, thus displacing local products.

In addition to greater susceptibility to advertising, other specific contextual characteristics of the BoP could result in the displacement of local products. Individuals in impoverished situations have a smaller margin of error regarding their purchases given lower disposable incomes (D’Andrea et al. 2007), which may make branded products seem more appealing (Ireland 2008). Indeed, “corporations using sophisticated marketing tactics can … deceive poor people into believing they are better off” (Arora and Romjin 2012, p. 484) than if they bought locally supplied options. Further, individuals in this context are believed to have a short-term planning orientation (Viswanathan and Sridharan 2009) that could lead them to purchase the branded goods even if they are aware of the potential harm to the wider community. This, in combination with the lack of products available in the BoP (Prahalad 2005), would largely derail any attempt to boycott the brand in protest, as might be done in wealthier contexts.

These displacements could harm the local community. As a product or service from a company replaces the traditional offering, the appropriated community knowledge will likely be lost through lack of use. Thus, beyond the obvious economic loss experienced by local suppliers, community knowledge itself would be lost. In particular, by displacing local offerings with branded products or services, individuals in the BoP may be forced to abandon their traditional activities (Sunder 2007) and seek work in other sectors or places. An example of this is the near loss of a traditional stone fence building techniques in southern Italy before its revival by locals (Cannarella and Piccioni 2011). Given the importance of community knowledge as a resource, lack of use could further diminish the communities’ capacity to take advantage of other social and
economic opportunities, and undermine cultural continuance. This could weaken the well-being of members of the community, thereby potentially exacerbating poverty or, at the very least, reducing the effects of poverty alleviation efforts.

To summarize, as companies become socially embedded in the BoP, community knowledge will likely be appropriated and transferred to a marketed product or service. This practice creates potential social benefits, such as capability and material gains, as well as possible social harm, including economic loss and diminished cultural safety. The unique characteristics of the BoP community and its people, which include institutional gaps, short-term orientation, and smaller margins of error, make loss more likely, as does the existence of capacity and power differentials, and inadequate intellectual property protections.

Given the potential benefits to be derived from traditional knowledge appropriation, as well as potential social harm, is it possible to develop meaningful collaboration that could fulfil the aspirations of the BoP goals? Although addressing this is no easy task, the following sections present legal and ethical approaches towards an equitable solution.

1.9. Legal and Ethical Solutions

If the unique features of community knowledge are recognized and if the contextual issues involved – such as power differentials, intellectual property gaps, capacity differentials, and consumer characteristics – are addressed, marketing organizations could mitigate social harm and improve the likelihood of social benefits. Towards this aim, a framework bridging both legal and ethical solutions that marketers could use when engaging with BoP communities is presented in the section below.

1.9.1. Legal Solution of Benefit Sharing

International protocols have been developed to provide minimum standards for firms in relation to traditional knowledge protection. Such developments provide ways to overcome power differentials, institutional void, and weak intellectual property protection. Benefit sharing, defined as the fair and equitable sharing of benefits (The Nagoya Protocol 2010, Article 5), is increasingly being adopted as an ideal for ensuring that
owners of community knowledge share in the gains from the development and commercialization of this knowledge. In particular, benefit sharing is about justly providing part of the profits and other advances gained from the use of traditional knowledge to the original source (Schroeder 2007). In other words, “in essence, benefit-sharing holds that countries, farmers, and indigenous communities that grant access to their plant genetic resources and/or traditional knowledge should share in the benefits that users derive from these resources” (De Jonge 2011, p. 127).

Various international legal protocols have been and are being developed for assessing and guiding benefit sharing. These are most evolved in the area of bioprospecting under the Convention on Biological Diversity (CBD), adopted in 1993 (Chennells 2013). The overall aim of this convention, with 198 parties and 168 countries as signatories, is to provide for just and equitable sharing of the benefits that derive from genetic resources and the related traditional knowledge, while conserving and ensuring the sustainable use of biodiversity. Subsequently, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, a supplementary agreement to the CBD, came into effect in 2014. This protocol lays out the legal framework and core principles to implement benefits sharing and provides guidance to all parties regarding the use of biological resources and genetic materials.

Importantly, the protocol includes explicit provisions on the “access to traditional knowledge held by Indigenous and local communities when it is associated with genetic resources” (The Nagoya Protocol 2010 p. 1). As such, the aim of this protocol is to “strengthen the ability of these communities to benefit from the use of their knowledge, innovations and practices” (The Nagoya Protocol 2010 p. 1). Though this focuses on only a subset of the community knowledge that relates to genetic (biological) resources, this protocol is based on wide consultation and scholarship assessing its application, general principles, and provisions regarding community knowledge. Therefore, though it can by no means provide clear and unambiguous direction for marketers, it can nonetheless provide a valuable guide for marketing behavior regarding the use of community knowledge even when genetic materials are not involved. However, when traditional knowledge associated with genetic materials is involved, the wide support for this protocol places a legal obligation on marketers.
Three principles are the heart of the Nagoya Protocol, which recognizes the rights of communities over their resources. The first requirement is to seek prior informed consent from the communities that are the knowledge holders, while the second and third principle is the requirement for the sharing of benefits between users of the knowledge and its holders and that the sharing of benefits must be mutually agreed upon (The Nagoya Protocol 2010). There remains much debate and development necessary in order to fully implement these requirements even in the ambit of the CBD. Therefore, even if a marketer wishes to implement these policies, there will remain ambiguities. Nonetheless, given the potential stakes and gains to both marketers and communities, these requirements would be a prudent start. The following discusses the components of these requirements in more detail.

**Prior Informed Consent**

Marketers are well advised to seek prior informed consent for the use of community knowledge. This requirement is of growing importance in regards to access and benefit sharing provisions both in developing and developed countries (Nijar 2010). Prior informed consent has become characteristic of treaties and soft law related to access to community knowledge (Nijar 2010).

Though no universally accepted definition of prior informed consent exists, Schroeder (2007) offers the following useful definition in the context of indigenous communities: “Prior informed consent is the voluntary, uncoerced decision *made by a subgroup that legitimately represents an Indigenous community*, on the basis of adequate information and deliberation, to accept rather than reject some proposed course of action that will affect the community” (Schroeder 2007, p. 31). As such, prior informed consent requires that consent be secured from knowledge holders prior to the access and use of community knowledge. This would ensure that the community and the company act with full understanding of their respective rights and responsibilities and that the community is fully aware of the potential uses of their knowledge and can exercise agency over this knowledge.

Schroeder (2009) outlines specific guidelines for securing consent, including the “legitimization to consent, full disclosure, adequate comprehension, and voluntary agreement” (p 28). In particular, legitimization of informed consent involves knowing who to get consent from and which community members are qualified as legitimate
representatives. Communities are not homogeneous and community knowledge in the BoP is “produced and interpreted within a set of unequal social relations” (Arora and Romijn 2012, p. 493). Therefore, the power imbalances within a community need to be acknowledged as an important part of the local context. This is an issue that can present tremendous difficulties even when prior informed consent is being sought in good faith (Schroeder 2009, p. 27), and can be supported through providing access to procedural and cognitive justice, described below.

**Requirement of Sharing of Benefits and Mutual Agreements**

The goal in any benefit sharing program is the fair and equitable distribution of gains to be derived from the venture. However, what is fair and equitable is clearly open to differing interpretations. De Jonge (2011) suggests that two prerequisites need to be met in order to ensure fairness and equity: The first relates to the need to ensure procedural justice by addressing the social and political power differences that may exist between, for example, marketers and the community. To ensure procedural justice, marketers could assist the local community in attaining the capacities, capabilities, and legal support necessary to allow the relevant community to negotiate on more equal footing (De Jonge 2011). This solution can aid in mitigating power differentials, and ultimately help decrease the likelihood of social harm.

The second issue relates to cognitive justice, which underscores the need to acknowledge the existence and legitimacy of differing worldviews as “a starting point for debate and genuine dialogue” (De Jonge 2011, p. 140). Of critical importance in the drive for cognitive justice is understanding that benefit sharing goes beyond economic considerations in discussing ecological knowledge. Williams and Hardison (2013) highlight “the implications of the multiple cultural, legal, risk-benefit and governance contexts of knowledge exchange” (p. 521) while pointing to fact that “the failure to consider these contexts of knowledge exchange can result in the promotion of benefits while failing to adequately address adverse consequences” (p. 521). As such, deepening and widening understanding of the community’s lived experience, and how it relates to community knowledge, can identify potential inequalities within and between communities and companies. This is where the suggestions around cultivating a deep understanding of the community, as is currently instructed by the BoP literature, is
particularly useful. For example, partnering with local nongovernmental organizations can facilitate understanding of the local context (Prahalad 2005).

Though overarching international protocols are useful, major challenges remain in establishing ownership of the knowledge, identifying appropriate bodies or individuals to provide prior informed consent, and developing the best strategy to protect knowledge and innovations that derive from this knowledge into the future. As such, achieving equitable and mutually agreed upon benefit sharing clearly present challenges for marketers, which are shared by local, indigenous, regional, national, and international communities. In this regard, further reflection on actual case studies can provide guidance regarding identifying potential pitfalls and best practices in benefit sharing agreements.

The most widely covered case on the transfer of traditional knowledge relates to the hoodia (*Hoodia gordonii xhoba*) plant used as an appetite suppressant by the San people, the oldest human inhabitants of southern Africa. In 1996 and 1998, unbeknownst to the San people, the Council for Scientific and Industrial Research in South Africa received patents on the plant (Wynberg and Chennells 2009). Subsequent licenses were awarded to Phytopharm, a British pharmaceutical company, which ultimately entered into an agreement in 1998 with Pfizer, the American pharmaceutical giant, for further development and commercialization (Wynberg and Chennells 2009). In a public relations backlash in 2001, the patent was challenged by the San who claimed this used their traditional knowledge.

In contrast, a more promising case of benefit sharing for South African indigenous peoples involves the South African company HGH Pharmaceuticals Ltd, which entered a benefit sharing agreement with the San people regarding the development and commercialization of the plant *Sceletium tortuosum*. Crucially, HGH Pharmaceuticals Ltd. acknowledged the San as the primary knowledge holders and the benefit sharing agreement provides royalties to them. Two communities identified as joint holders of the knowledge will share in the benefits of a resulting product that launched in the North American market in 2013 (Wynberg and Chennells 2009) and collaborations have been secured in other international markets (Tshitwamulomoni 2011). This appears to be a landmark agreement.
The lessons learned from these cases studies are as follows: First, obtaining prior informed consent of communities is critical (Wynberg and Chennells 2009). Second, ideally communities should be engaged as early as possible and considered active participants. Third, “the importance of relationship building and of having in place a policy climate conducive to fair deliberation” is key (Wynberg and Chennells 2009, p. 90). Finally, conditions that are conducive to fair deliberations are imperative, including ensuring that the communities have the capacity to negotiate on even footing (Wynberg and Chennells 2009). In the case of *Sceletium tortuosum*, a well-known human rights lawyer represented the community in the negotiations from the outset, thereby enhancing procedural justice.

Despite these key learnings, difficulties executing benefit sharing agreements remain (Wynberg and Chennells 2009). One of the most problematic issues revolves around identifying ownership rights to traditional knowledge. Importantly, guardianship can accrue to families or specific individuals in a community, held by one gender, or credited to a defined group or across a region (Elvin-Lewis 2007). Further, marketers need to be aware that not all traditional knowledge is available for commoditization. For example, the ways shamans in the Amazon use psychotropic drugs are often prohibited for others (Elvin-Lewis 2007).

Community knowledge serves as agents for the formation of communitas, a shared sense of camaraderie or common connectedness (Baker and Hill 2013). However, even when community knowledge is clearly identified, groups are not univocal and power can differ within a community. This inequality can undermine decision-making within a group. There can be competing interests within groups, as well as a range of individual identification with the group (Baker and Hill 2013), including tensions between collective and self-identity. As such, engagement with groups comprised of a limited representation of the community can undermine efforts (Baker and Hill 2103), underscoring the importance of inclusive representation. Nonetheless, even with full adherence to the proposed legal solutions, including inclusive representation, these considerations are at best incomplete. As such, the following ethical considerations are seen as crucial to finding more complete solutions that will minimize harm while maximizing benefits to communities.
1.9.2. Ethical Solution of the Integrative Justice Model

Santos and Lacznia (2009) constructed an ethical framework called the Integrative Justice Model. This normative framework describes norms and standards for companies in impoverished contexts that can be used to guide decision making towards fair outcomes (Santos and Lacznia 2009). These standards, based on grounds of fairness and equality, include five elements, as follows:

“authentic engagement with consumers, particularly impoverished ones, with nonexploitative intent; cocreation of value with customers, especially those who are impoverished or disadvantaged; investment in future consumption without endangering the environment; interest representation of all stakeholders, particularly impoverished customer; [and] focus on long-term profit management rather than short-term profit maximization” (Santos and Lacznia 2009, p. 6).

Authentic engagement requires overcoming the power and information asymmetries that dominate transactions with impoverished consumers (Lacznia and Santos 2011). The element of co-creation encourages companies to involve consumers in the creation of value, rather than dictating what value will be (Santos and Lacznia 2009). Interest representation, which involves giving a voice to those impacted (Lacznia and Santos 2011), is a critical encapsulation of these standards. Regarding improving future consumption, the Integrative Justice Model requires strengthening of the capabilities of impoverished individuals, such as offering ways for them to improve their decision-making and providing opportunities in the markets (Santos and Lacznia 2009). Finally, companies need to ensure that the environment can sustain “future exchange cycles” (Lacznia and Santos 2011 p.142). In sum, these approaches could require constraining short-term profits in favor of longer-term relationships to increase the “exchange power for poor consumers as well as better economic results for all parties” (Lacznia and Santos 2011 p.142-143).

1.9.3. Bridging Legal and Ethical Solutions: The 4 Cs

When considered together, the legal and ethical perspectives coalesce around four common principles that can provide guidance to firms in their engagement with the BoP (see Table 2).
First, with consent, firms are advised to seek the involvement of BoP communities from the start. Prior informed consent from a legal perspective is consistent with the ethical approach that calls for co-creation and collaboration between companies and communities. Working together, companies could potentially help communities secure intellectual property protections in an equitable way. Second, procedural justice from the legal perspective and the need to ensure representation of all relevant stakeholders from the ethical perspective require that communities have the capacity to negotiate and represent themselves on an equal footing to the company. This could help overcome power differentials and may require that companies invest in capacity building in these communities. Third, companies need to ensure cognitive justice and authentically engage with the BoP community. Importantly, to understand differing worldviews that may be present in the BoP communities, authentic engagement is needed, as articulated by the ethical perspective. Fourth, the actual content of the negotiations needs to explicitly consider a longer-term and more expansive view that includes the social, cultural, environmental, and economic realities that underlie community knowledge. This can help overcome cultural safety harm, as a longer-term view taken by involved communities and companies can potentially help to avoid using community knowledge in a way that does not integrate the well-being of the community. This would, ideally, enable the development of mutually beneficial products.

Table 2: Bridging Legal and Ethical Solutions

<table>
<thead>
<tr>
<th>Benefit Sharing</th>
<th>The Integrative Justice Model</th>
<th>Complimentary Relationship</th>
<th>The 4 C’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior informed consent</td>
<td>Co-create value</td>
<td>To co-create value, community members need prior access and consent</td>
<td>Consent</td>
</tr>
<tr>
<td>Procedural justice</td>
<td>Interest representation of all stakeholders</td>
<td>By improving capacities and capabilities, it allows community members to represent themselves</td>
<td>Capacity</td>
</tr>
<tr>
<td>Cognitive justice</td>
<td>Authentic engagement</td>
<td>To understand differing worldviews, authentic engagement is needed</td>
<td>Cognitive justice</td>
</tr>
<tr>
<td>Overall benefit sharing</td>
<td>Long-term profit management and future consumption investments, community well-being</td>
<td>Both bring a longer-term and broader view on impact to those involved</td>
<td>Community impact</td>
</tr>
</tbody>
</table>
To increase the likelihood of achieving social benefits and mitigate social harm, firms need to consider the 4 Cs when engaging with BoP communities – Consent, Cognitive Justice, Capacity, and Community Impact. These dovetail with the suggestions of Shultz (2007) who noted that conflicts can and do arise over resources and how they are managed. Minimizing these conflicts requires constructive engagement that facilitates understanding and cooperation based on ideas of ethics and justice (Shultz 2007). Further, through bridging legal and ethical solutions into the 4 Cs, communities and companies may be able to overcome the issues involved in community knowledge appropriation, such as power differentials, intellectual property protection gaps, capacity differentials, and consumer characteristics that can contribute to social harm or undermine social benefits, thereby leading to improved well-being in impoverished communities.

1.10. Discussion and Directions for Future Research

A macromarketing objective is to “optimize outcomes for the largest number of stakeholders in a marketing system not only now but also for future generations” (Shultz 2007, p. 294). This article discusses the potential benefits and harm of community knowledge appropriation, including highlighting when these outcomes are more likely to happen, such as during the social embeddedness process. By acknowledging these potential outcomes, macromarketers can become more aware of the impact their actions can have on the marketing system. Further, rather than free-riding on the inventions of others, marketers can work towards more equitable outcomes for those involved in community knowledge appropriation and hence optimize outcomes for stakeholders through the 4 Cs of Consent, Cognitive Justice, Capacity, and Community Impact.

Marketers and policy makers in the BoP are advised to develop internal and external approaches to support the 4 Cs. Two issues of relevance arise regarding Consent: What constitutes consent and from whom must consent be acquired? Legal principles for translating informed consent as an ethical principle into concrete plans for action (Berg et al. 2001) provide the clearest guidance. Marketers have a duty to disclose relevant information regarding harm, benefits, and alternatives as well as the duty to obtain consent from the appropriate entity. In getting community consent, companies need to avoid essentializing and neutralizing the heterogeneity of opinions and voices, as well as the ambiguities, that surround the boundaries of communities.
One approach is for marketing managers to set up internal policies that mandate working with a myriad of community groups, such as local governing bodies, as well as nongovernmental, grassroots, and religious groups. Not only will this help facilitate consent and potentially help overcome power imbalances, it also helps to support the idea of co-creation through active collaboration with these other organizations.

For Capacity, local communities need to achieve “justice in exchange,” which aims to establish fairness and equity in transactions (Arnason and Schroeder 2013). Marketers need to strive to identify and remove obstacles to fair negotiations including financial, power, educational, legal, and procedural ones. This approach will require working in concerted efforts with the community, local institutions, governments, and educational institutions towards this aim. For example, managers could potentially work with these organizations to create and execute training activities for those involved. Regarding Cognitive Justice, one approach to bridging worldviews argues that companies should move beyond stakeholder analysis to a “communicative approach” where all stakeholders would be part of a dialogue process aimed at mutual understanding and trust (Nill 2003).

On the issue of Community Impact, many indices (see Felix and Garcia-Vega 2012) are available to marketers and policy makers following the influential Stiglitz report, including multidimensional measures of well-being (Stiglitz, Sen, and Fitoussi 2009). This shifts the focus from simple economic and short-term impact to requiring a deep and broad understanding of the longer-term implications and outcomes of activities. This report identified eight dimensions that should be considered including material living standards, health, education, personal activities including work, political voice and governance, social connections and relationships, present and future environment, and economic and physical insecurity (Stiglitz, Sen, and Fitoussi 2009). Measurements of such depth at the macro-level would require institutional support from governments and may benefit from companies developing partnerships with universities and other research institutes. At the micro-level, an adapted multi-dimensional focused approach would be warranted.

How benefits derived by the community are to be used or shared are necessarily the prerogative of the community. While investments into communal infrastructure and
shared cultural artefacts would likely positively impact the greatest numbers, differing contexts and the types of benefits involved require that these decisions reside at the local level. Much of the caution in this study about the use of community knowledge shares parallels with the critique of the impact and uses of research conducted on indigenous people since colonial times. While the enterprise was different, aiming at academic gains rather than commercial ones, researchers, institutions, and scientific societies similarly embedded themselves in indigenous communities and sought to use this for academic glory elsewhere while creating harm and providing little, if any benefit, to communities (Tuhiwai Smith 1999). The effect was a disenfranchisement and dehumanization of indigenous peoples (Tuhiwai Smith 1999). In response, approaches that involve more ethical, respectful, and useful research with indigenous communities can result in benefits and limit harm. However, to accomplish this calls “for a collaborative social sciences research model that makes the researcher responsible, not to a removed discipline, but rather to those studied” (Denzin and Lincoln 2008, p. 15). This article also asks marketers to be accountable to local communities in the BoP if they wish to create benefits and minimize harm.

The elements introduced herein will hopefully act as an impetus for future academic research, including exploration through empirical work. Future research can investigate empirically whether other potential benefits or harm can occur during community knowledge appropriation, whether interdependencies exist between these outcomes, if the introduced 4 Cs help to overcome these in practice, and which other solutions have been or could be used in regards to community knowledge appropriation.

Further, important questions remain about whether outcomes change depending on which organizational type is involved, such as for-profit multinational enterprises, small, or medium enterprises, non-profits, or social enterprises, or a combination of these. Do outcomes change depending on how these groups interact within a marketing system? Importantly, these organizational forms could have differing power differentials with the BoP community, which could influence the outcome. Further, who is considered to be part of the community and who is not? Could outsiders, such as marketers from companies, become insiders and under what circumstances would this occur? This would be particularly interesting to explore, as it would provide insight into possible solutions. Additionally, investigation into different community contexts would also facilitate a more nuanced understanding of the issues at play here. There may be
differences between relative and absolute poverty (see Madden 2000 for measurement issues), and between those living in conflict zones, deep rural areas, or urban slums (Anderson, Markides, and Kupp 2010). Empirical work could help assess whether the outcomes of community knowledge appropriation change across these diverse situations and if these differing situations impact the efficacy of the solutions proposed in this study.

This article describes an important form of knowledge, community knowledge, and outlined the benefits and harm that can occur when community knowledge is appropriated in the BoP. The 4 Cs introduced give credence to the idea that, through a deep understanding of the positive and negative effects of marketing (Hill and Martin 2014), steps can be taken to achieve equitable benefits. Though a myriad of future research questions remain, community knowledge appropriation is an important topic of discussion for macromarketing academics and practitioners as we strive to find solutions that improve the well-being of the billions currently living in poverty. As more people view community knowledge as a potential source of innovation and engage in social embeddedness in the BoP, it will become even more important to overcome free-riding and find a balance between protecting the rights of communities, engaging in benefit sharing, and selling products and services derived from community knowledge.
Chapter 3.

Paper 2: The Efficiency of Capitals in Impoverished Contexts: Improving Well-being Through an Integrated Capitals Framework

1.11. Introduction

The literature from marketing and, more broadly, from business contains numerous calls to rectify the inefficiencies of impoverished contexts (Karnani 2007). Scholars have deemed local businesses (Banerjee and Duflo 2007; Karnani 2007), distribution channels (Ritchie and Sridharan 2007), and labour (Azmat, Ferdous, and Couchman 2015) in these contexts as inefficient, while Prahalad (2012) argued that all markets servicing the world's poor are inefficient. Scholars assume that “efficiency translates into poverty alleviation” (Varman, Skålén, and Belk 2012, p. 32), with efficiency improvements thought to lead to increased local incomes (Banerjee and Duflo 2007; Karnani 2007), lower prices, and higher quality products (Goldman 1974). Notable examples, including Aravind Eye Care (Karnani 2007), ITC's e-Choupal (Prahalad 2005), and Smart Communications (Anderson and Billou 2007), are commended for their efficient solutions in impoverished contexts. Despite this rhetoric, there is a lack of clarity and consensus as to what is meant by the term and what should be the goals of efficiency within a marketing context.

Efficiency has not been either rigorously defined or explored in contemporary marketing literature, despite having been declared as a major foundational goal in marketing (Alderson 1957), of macromarketing, (Layton 1981) and of engaging in impoverished contexts (Prahalad 2005). Further, it is not often noted what the explicit goal of efficiency is: we fail to articulate an answer to the important question of “efficient at what?” (Stein 2002, p. 12). Indeed, “efficiency must be viewed from the standpoint of the ultimate objective desired” (Albright p. 370).

Where efficiency is used in marketing, the reigning objective appears to be that of economic efficiency, with that term defined as meeting the needs of consumers with the lowest expenditure of economic resources (Philips 1941). This focus on economic
efficiency is part of a larger emphasis in the field of development, one which has historically viewed rapid economic growth, industrialization, and financial capital generation as primary goals (Escobar 1997). In other words, the drive for efficiency becomes a focus on ‘faster, bigger, more’ in the economic realm (see Stein 2002).

However, focusing primarily on the economic may lead to the paradoxical outcomes cited in the development and marketing literatures. Varman, Skålén, and Belk (2012) contrasted the efficiency improvement often cited with the lack of satisfaction on a social level and questioned the general well-being of those impacted:

“ITC claims that it has brought about a socioeconomic transformation in agricultural markets in India by using innovative marketing technology and increasing supply chain efficiency. Ironically, the firm makes this claim when nearly 200,000 Indian farmers have committed suicide in the past 12 years because of economic hardships (Sainath 2010)” (p. 19).

That number was estimated to be above 250,000 by 2011 (Sainath 2011), while the suicide rate of farmers grew by 40 percent between 2014 and 2015 (Tiwary 2016). A focus only on economic factors does not fully account for the often-seen unintended negative effects of marketing systems. If such a definition of efficiency results in negative outcomes, as Beckman (1940) argued so many years ago, marketing may need to rethink its focus on economic efficiency to the exclusion of all other factors.

That is not to say that economic efficiency is irrelevant. That type of efficiency has been shown at the national level to mediate the effects of marketing systems on societal well-being (Sirgy, Lee, Wei and Huang 2012). But economic efficiency alone provides an incomplete picture, one that obscures the full range of resources that need to be considered when studying marketing systems in impoverished contexts. In hopes of filling that gap, this paper provides a comprehensive framework for viewing the efficiency of marketing systems. More specifically, it articulates a more appropriate and precise definition of efficiency, one which we call ‘well-being efficiency,’ where resources are the inputs leading to well-being. Such a comprehensive conceptualization of all resources affected by marketing systems, not just economic factors, is needed especially if we are to fully understand impoverished contexts (Bebbington 1999) and how their marketing systems are affected.
However, to date, the marketing literature has focused on resources, primarily economic ones, that are thought to be constrained (Viswanathan and Rosa 2010; Williams 1973), while ignoring the resources impoverished contexts do have, such as social resources (Viswanathan, Sridharan, and Ritchie 2010; and cultural resources (Beninger and Francis 2016). This paper proposes a framework that draws on research in sociology and development, as well as on practice-based work. It proposes an Integrated Capitals Framework that includes nine resources – conceptualized as capitals – including financial, physical, social, natural, human, cultural, public, political and health capitals.

This Integrated Capitals Framework captures resources that are often ignored by a focus on economic efficiency and allow us to better understand the full impact of marketing systems on well-being. Through doing so, this paper seeks to address Shultz’s (2012) compelling question in macromarketing: “what elements are crucial to any system to ensure societal wellness…?” (p. 193), while also addressing calls to further our understanding of impoverished contexts (Viswanathan et al. 2014).

While capitals have been discussed individually, in clusters, and in frameworks by those from other disciplines, little is known in the literature about the interdependencies of such resources, where impacting one resource could undermine or support another. In hopes of correcting that situation, this paper investigates the relationships that exist between these nine capitals as they effect the widened goal of efficiency, and discusses the potential consequences of such interactions in impoverished contexts. This contributes to furthering our understanding of the interactions among various marketing systems (Layton 1981) and of the impact of such systems on society and economic development (Hunt 1981). This broadening of the goal of efficiency in relation to a more inclusive set of resources also has obvious implications for organizations. Applying such a framework to marketing activities would improve the likelihood of those activities achieving positive outcomes in impoverished contexts.

The paper is structured as follows: First, it explores the concept of efficiency, before suggesting a more nuanced and appropriate goal of efficiency in impoverished contexts. Next, the paper presents and defines the nine capitals that are important to consider in impoverished contexts. The Integrated Capitals Framework employed also theorizes the relationships between the identified nine capitals. Finally, a discussion in
relation to the concept of efficiency and the framework is presented before future research questions are suggested.

1.12. Towards an Appropriate Efficiency Goal in Impoverished Contexts

Although efficiency has been discussed for millennia (Stein 2002), the term came into widespread usage in 1910, when the concept was extended beyond a focus on individual manufacturing plants to include, as well, industries and even communities (Beckman 1940). The term has become ubiquitous in public discourse where “the demand for efficiency is everywhere” (Stein 2002, p. 10). Further, ever since the term “efficiency” was first introduced, misunderstandings and misuse have plagued the word (Stein 2002). Indeed, Beckman (1940) wrote over 75 years ago about a widespread “failure to understand the basic concept of the term,” where contributing factors to this failure were thought to involve the ongoing

“use of the term in a loose and vague manner, failure to consider it from the point of view of all interests involved, consideration from a short-run standpoint rather than the long pull, and neglect to keep in mind the ultimate objective of the effort to which the term has been applied” (p. 113).

These contributing factors still ring true. To overcome the ongoing challenges with this word, “efficiency” needs to be defined in light of a specific goal.

Despite the vague manner in which the term efficiency is used both colloquially and in the literature, marketing was provided with a definition of efficiency many decades ago. In 1940, the foundational marketing literature defined that term as the “ratio between effort and results” (Beckman 1940, p. 113) or, in other words, “success in producing as large as possible an output from a given set of inputs” (Farrell 1957, p. 257). By doing so, the seminal marketing literature acknowledged that “there is no such thing as efficiency in general or efficiency per se.” (Beckman 1940, p. 113). Rather, as per Beckman’s definition, if efficiency is about producing the maximum output from certain inputs, we must consider both what the desired output is and what inputs are required. Not to do so could result in unintended and often undesirable consequences.

Indeed, Philips (1941) more than seventy five years ago cautioned that a relentless focus on economic efficiency, with no consideration of social aspects, could
result in problematic marketing interventions. For example, he argued that replacing the large number of independent stores with a much smaller number of chain stores might seem to be more efficient when only costs are considered, but it might not in fact be efficient if wider social ramifications are also taken into account. What then, should be the goal of efficiency in impoverished contexts?

Improvements in well-being could be the goal best suited to these contexts. Those in impoverished contexts face a marked deprivation in well-being (World Bank 2000), where well-being, from a developmental perspective, is focused on the access to and command of resources (Haughton and Khandker 2009). While other goals could be articulated, this goal of efficiency – ‘well-being efficiency’ – is chosen for several reasons. One, it tackles the challenges Beckman (1940) noted above through providing a broader focus on those factors involved, which includes a range of resources, and by taking a long-term developmental perspective, rather than a short term one. It is also consistent with a recognized United Nations focus on efficiency’s contribution to well-being across the globe.

Given this ‘well-being efficiency’ goal, the desired ‘output’, or ultimate objective, of efforts in impoverished contexts should be to improve access to and command over resources. In this way, the inputs in the efficiency equation, which can be mobilized towards the desired output – that of well-being, would in fact be resources. To achieve the desired objective, we need to understand both the array of resources available in impoverished contexts and how these resources are intertwined. One way this could be achieved is through employing the theoretical lens of capitals.

1.12.1. The Integrated Capitals Framework

Capital has had evolving definitions, originally referring to cattle headcounts, then wealth (Hodgson 2014) as measured in a variety of ways (Fisher 1904). Capital broadened under the work of Adam Smith to include ‘productive goods,’ such as physical items and labour (Cannan 1921; Hodgson 2014). After the introduction of Smith’s use of the term, capital has lacked an established usage in economics (Fisher 1904; Hobson 1926) and has been the subject of much debate over the last 150 years (see Hodgson 2014). In particular, two distinct camps arose in economics, with one regarding capital only as money, and the other viewing capital as “any relatively durable thing or attribute that
leads to the satisfaction of wants” (Hodgson 2014, p.1080). The latter definition can be related to Fisher’s (1904) seminal work defining capital as “a stock existing at an instant of time” (p. 387), and to that of a more recent scholar who defined capital as a “stock or reserve… [of] unconsumed productive resources” (Hodgson 2014, p. 1075). In this way, modern conceptualizations of capital include both intangible and tangible entities (Dean and Kretschmer 2007).

From a development perspective, Narayan and Pritchett (1999) specify the nature of these productive resources by defining capital as resources that contribute to better outcomes. This more nuanced definition, rooted in the development literature, has the benefit of being aptly suited to impoverished contexts and is related to the drive to improve well-being. Capitals are thought to represent the set of constraints facing a society that impact the likelihood of success of its activities (Bourdieu 1986). Given that impoverished contexts undoubtedly face a number of constraints, it behooves us to consider these capitals and the implications they have on ‘the chances for success’ in improving well-being.

Different types of capitals have been identified across various disciplines, with over 25 forms of capital identified by Hodgson (2014) alone. While some might argue that having multiple forms of capitals is problematic (see Hodgson 2014), Bourdieu (1986) argues that going beyond economic capital is imperative, as

“it is in fact impossible to account for the structure and functioning of the social world unless one reintroduces capital in all its forms and not solely in the one form recognized by economic theory” (p. 81).

Further Flora, Flora, and Gasteypier (2016) argues that employing multiple capitals can provide a useful lens through which to understand communities in order to engage in “fostering holistic analysis and action” (p. 15).

Towards such an end, this paper introduces the Integrated Capitals Framework through synthesizing six existing frameworks. In addition to Bourdieu’s (1986) seminal paper on three forms of capital, the author identified five other key frameworks of capitals within the broad domains of sustainability, development, and poverty: The Community Capitals Framework from sociology identifies seven capitals in rural communities in America (Flora, Flora, and Gasteypier 2016); in development, Bebbington’s (1999) capital framework identifies five capitals important for the
sustainability of rural livelihoods; Forum for the Future, a global non-profit, created a model of five capitals for organizations looking to improve their sustainability (Porritt 2007; Forum For the Future n.d.); Thomas and McElroy LLC created their MultiCapital Scoreboard of capitals which organizations can use as a reporting tool in relation to their stakeholders (Thomas and McElroy n.d.); and the British Department for International Development created the Sustainable Livelihoods Framework which contains five capitals (DFID 1999).

The author synthesized these contributions into an integrated framework (see Table 3 below) containing the following capitals: financial, natural, social, cultural, human, political, public, physical, and health, all part of the ‘well-being efficiency’ equation. An integrated framework was sought as it provides a comprehensive view of capitals deemed important to sustainability, development, and poverty, a view drawn from two academic fields, that of sociology and development, as well as from practitioner, non-profit, and governmental perspectives. This integrated framework is inclusive in scope, going beyond the capitals found in any one of the six individual frameworks, while not overlapping. Taking such an integrative approach provides for comprehensiveness without duplication.

Further, the Integrated Capitals Framework builds on foundational work in macromarketing regarding aspects important to development. Klein (1985) argued that there are technical (economic and physical) and social aspects (values, rituals, practices, institutions and cultural elements) important to marketing systems. Building on this, Firtat, Kumcu, and Karafakioglu (1988) contended that, beyond the economic, marketing has to focus on social, political, and ecological factors in order to bring about “balanced, enduring, and genuine development” (p. 327), while Taylor and Omura (1994) called for a focus on economic, social, political and psychological factors. Similarly, Shultz et al. (2012) and Shultz, Rahtz and Sirgy (2017) articulated factors such as geo/environmental, population, political, economic, social/cultural, and infrastructure/technology. The Integrated Capitals Framework encompasses these elements and builds on them to include other factors such as human and health capital. As well, the framework aligns with contemporary approaches in development that emphasize contextual understanding about communities. For example, the United Nations (2012) engages in contextual analysis to seek to understand the resources and
constraints present in local situation and the impact these may have on projects and policy advice.

Additionally, this framework clarifies the discrepancies between the frameworks related to built, physical, constructed, manufactured and produced capital. For example, infrastructure was called built capital by Flora, Flora, and Gasteyer (2016), while DFID (1999) labelled infrastructure as physical capital. Constructed capital by Thomas and McElroy (n.d.), refers to both infrastructure and material goods, while Forum for the Future (n.d.) referred to manufactured capital as just material goods or assets. Produced capital according to Bebbington (1999) encompassed financial capital and items such as houses, vehicles, [and] draught animals” (p. 2033). To integrate these varying, yet overlapping, capitals, the definitions were synthesized and ultimately split into two capitals: physical capital, referring to tangible assets this in keeping with the term's traditionally deployed definition in marketing, and public capital, referring to infrastructure. Separating public capital from physical capital was chosen to account for the informal – and intangible – nature of much of the infrastructure in impoverished contexts, where not all infrastructure is physically ‘built.’

In addition, and in order to be comprehensive, other capitals were assessed for inclusion into the framework. These other capitals were drawn from those found in Hodgson’s (2014) expansive list of capitals, this being done while also seeking to avoid the framework becoming unwieldy. For example, rather than adding network capital to the framework, a term defined as the use of personal networks (Sik 1994), this term was captured in social capital, while religious and spiritual capital is encompassed in cultural capital.

However, health capital was included into the Integrated Capitals Framework due to its importance in impoverished contexts. Health is an essential component of well-being, and it can also contribute to economic progress (WHO 2017). Health capital is intertwined with socioeconomic status, where the lower the economic status, the lower the health status (see Galama and Kippersluis 2013). Further, although not noted as a separate capital, the Community Capitals Framework discusses health at length, conceptualized as health equity in relation to human capital (Flora, Flora, and Gasteyer 2016), as does Bebbington (1999). Consequently, health capital was included in the integrated framework.
### Table 3: Towards an Integrated Capitals Framework

<table>
<thead>
<tr>
<th>Capital</th>
<th>Source Frameworks</th>
<th>Integrated Capitals Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural</td>
<td>Bebbington (1999); Flora, Flora, and Gasteyer (2016); Thomas and McElroy (n.d.); DFID (1999); Forum for the Future (n.d.)</td>
<td>Natural</td>
</tr>
<tr>
<td>Social</td>
<td>Bourdieu (1986); Bebbington (1999); Flora, Flora, and Gasteyer (2016); Thomas and McElroy (n.d.); DFID (1999); Forum for the Future (n.d.)</td>
<td>Social</td>
</tr>
<tr>
<td>Cultural</td>
<td>Bourdieu (1986); Bebbington (1999); Flora, Flora, and Gasteyer (2016)</td>
<td>Cultural</td>
</tr>
<tr>
<td>Human</td>
<td>Bebbington (1999); Flora, Flora, and Gasteyer (2016); Thomas and McElroy (n.d.); DFID (1999); Forum for the Future (n.d.)</td>
<td>Human</td>
</tr>
<tr>
<td>Political</td>
<td>Flora, Flora, and Gasteyer (2016)</td>
<td>Political</td>
</tr>
<tr>
<td>Built</td>
<td>Flora, Flora, and Gasteyer (2016)</td>
<td></td>
</tr>
<tr>
<td>Constructed</td>
<td>Thomas and McElroy (n.d.)</td>
<td></td>
</tr>
<tr>
<td>Produced</td>
<td>Bebbington (1999)</td>
<td>Physical</td>
</tr>
<tr>
<td>Physical</td>
<td>DFID (1999)</td>
<td></td>
</tr>
<tr>
<td>Manufactured</td>
<td>Forum for the Future (n.d.)</td>
<td>Public</td>
</tr>
<tr>
<td>Health</td>
<td>Flora, Flora, and Gasteyer (2016) discussed health equity, Bebbington (1999) includes it with human capital</td>
<td>Health</td>
</tr>
</tbody>
</table>

In what follows, the nine capitals of the Integrated Capitals Framework are defined and described, this supported by literature focused on impoverished contexts. While these capitals are relevant to all contexts, they become particularly important in impoverished contacts given that overall resources levels are thought to be scarce. Further, these contexts are often approached in the name of development with the specific goal of changing capital levels. As such, it becomes particularly important to understand the capitals at play in these contexts.

**1.12.2. Financial Capital**

Financial capital is defined as including all financial assets and can be measured through wealth or income (Coleman 1988), where the assets can be "immediately and directly convertible into money" (Bourdieu 1986, p. 82). When discussing poverty, the most often discussed capital, either explicitly or implicitly, is financial capital, or the lack thereof. Marketing and business academics often describe impoverished contexts as being financially constrained. For example, the oft-cited seminal work of Prahalad (2005)
argued that individuals are poor if they make less than $2 US a day in purchasing power parity. Indeed, the world’s poor do have limited financial income (Banerjee and Duflo 2007).

1.12.3. Physical Capital

Impoverished contexts are not just characterized by their lack of financial capital: such contexts also reveal a widespread lack of access to physical capital. Physical capital includes tangible assets (Coleman 1988) such as housing, owned land, equipment, and other productive assets (Islam et al. 2011). Indeed, the lack of physical resources available to those in impoverished situations is notable. Most of the world’s poor do not own many physical goods, with many people in poverty around the world not even owning a table (Banerjee and Duflo 2007).

1.12.4. Public Capital

While public capital is often thought of as in terms of government produced goods and services, this is not always the case. Rather, public capital is defined as the “many types of goods [and services] which are used to produce final goods and services” (Tatom 1993 p. 391) – or as infrastructure. These elements are shared by a community, and include highways, electricity, police protection, and irrigation systems (Tatom 1993). Many of the world’s poor lack adequate formal public capital, including roads and information conduits (Vachani and Smith 2007), a fact which undermines their ability to access formal information networks (Shivarajan and Srinivasan 2013). However, these contexts do have a number of informal institutions (Sridharan and Viswanathan 2008) and infrastructure (Vachani and Smith 2007), such as informal communication networks.

1.12.5. Social Capital

Social capital refers to the “aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu 1986, p. 88). In other words, the term refers to the social ties that can provide benefits (Coleman 1988). Recent scholarship has shown that social resources abound in impoverished contexts (Ansari, Munir, and Gregg 2012; Viswanathan et al. 2013), and social capital is thought to be a primary form
of capital available to those in resource-scarce situations (Woolcock and Narayan 2000; Stewart 2005). Social capital is so integral to survival in scarcity situations that those who live in poverty have different capabilities in this area relative to those in less scarce situations: the former demonstrates an increase both in social learning skills and in the use of extensive relationship networks (Rosa 2012; Viswanathan and Sridharan 2009).

Access to social networks allows those in impoverished contexts to overcome hardships and cope (Viswanathan et al. 2013), as these networks often serve as a buffer to smooth out fluctuations in daily lives (Viswanathan, Rosa, and Ruth 2010). Social networks, consisting of family and other community members, span both the economic and personal lives of those in poverty situations (Sridharan and Viswanathan 2008), with there being a prioritizing of family needs over individual ones (Ruth and Hsuing 2007). Examples of formal groups that were found to be important to people in impoverished situations include churches (Saunders 2010), self-help groups, and political groups (Chikweche and Fletcher 2010).

1.12.6. Human Capital

Human capital is defined as skills and knowledge (Coleman 1988). Boag (1916), relating to the work of Adam Smith and reflecting on WWI, argued that humans do have capital, and it is tied up in their skills and knowledge. Although Bourdieu (2005) criticizes this concept as being ‘vague and flabby,’ and integrated it within cultural capital, human capital has since become an important capital in its own right and one of considerable importance in development approaches. According to the United Nations (2016), human capital “can be a more important determinant of its long-term success than virtually any other resource” (n.p.).

Impoverished contexts are often limited in their access to educational institutions (Shivarajan and Srinivasan 2013) and services (Subrahmanyan and Gomez-Arias 2008), although many countries do provide some basic primary education even in impoverished contexts (Banerjee and Duflo 2007). Despite limited formal educational opportunities, many impoverished communities pass on their community knowledge (see Beninger and Francis 2016). Such knowledge, defined as the know-how and capabilities of the community, is part of that community’s cultural capital.
1.12.7. Cultural Capital

Although sometimes equated with social capital (see Shultz, Rahtz, and Sirgy 2017), cultural capital is distinct and “comprises the set of ideas, practices, beliefs, traditions and values which serve to identify and bind together a given group of people” (Throsby 1999, p. 7). Culture is generationally transmitted through social institutions (Flora, Flora, and Gasteyer 2016). Following Throsby (1999), cultural capital includes objectified cultural goods as well as intangible practices, beliefs, traditions, and values. As such, cultural capital can be embodied in artefacts such as crafts and paintings, and in values and ideals, and can be propagated through cultural industries (Daskon and McGregor 2012). In this way, cultural capital can be appropriated, either symbolically or materially (Bourdieu 1986).

Cultural capital is a relatively new concept in both the development (Daskon and McGregor 2012) and marketing literatures (Beninger and Francis 2016). Although little is known about the cultural capital available in impoverished contexts (Daskon and McGregor 2012), such contexts can be owners of community knowledge, which is borne from practices, beliefs, and traditions, and is expressed in tangible goods (see Beninger and Francis 2016). Importantly, these cultural elements are often intertwined with natural capital.

1.12.8. Natural Capital

Natural capital is “the stock of environmentally provided assets (such as soil, sub-soil minerals, forests, atmosphere, water, wetlands) that provide a flow of useful renewable and non-renewable goods and services, which may be marketed or unmarketed” (Serageldin and Steer 1994, p. 30). This capital refers therefore to environmental resources such as agricultural land and fishing grounds (Islam et al. 2011). Like human capital, this capital has a long history in academia, where Fisher discussed environmental assets in 1904. Natural capital is argued to be “the base on which all the other capitals depends” (Flora, Flora, and Gasteyer 2016). Poverty tends to increase with the share of the population that is concentrated on fragile lands, where people often rely on the exploitation of threatened ecosystems (Barbier 2012). For example, in water stressed regions, impoverished women can spend several hours per day collecting resources necessary to live (Hunter 2006). Women's productive roles are “often
intricately linked with environmental resources such as land, water, and forest products” (Ardyfio-Schandorf and Kwafo-Akoto 1990, p.160). Given this fact, natural capital has an important role in the lives of those in impoverished contexts.

1.12.9. Health Capital

Health capital is defined as the stock of health (Grossman 1972). There are various definitions of health, such as an “absence of any disease or impairment… [or] a state that allows [for the] adequately cop[ing] with all demands of daily life” (Sartorius 2006, p. 662). People in impoverished contexts engage in physically demanding work, such as running farms and cultivating land, while also engaging in other activities needed to live, such as gathering fuel (Banerjee and Duflo 2007). Since individuals in these contexts rely on their bodies to accumulate needed resources, they deal with more health issues—including higher stress and increased incidences of illness—than do their wealthier counterparts, a fact which impacts their ability to engage in daily activities (Banerjee and Duflo 2007). This situation is compounded by lack of sleep. Those who work multiple jobs, which many impoverished people do (Banerjee and Duflo 2007), reported that they slept less on average than the more affluent, with this lack of sleep being associated with increased illnesses (Basner, Spaeth, and Dinges 2013).

1.12.10. Political Capital

Political capital is defined as power, namely “whose norms and value[s] get turned into standards that then become rules and regulations that are enforced and determine the distribution of resources” (Flora, Flora, and Gasteyer 2016, p. 36). Political capital is about the ability of a community to influence and set agendas, and this ability can change over time (Flora, Flora, and Gasteyer 2016). Households and community members have asymmetric power relations, while communities have different levels of power relative to each other (Arora and Romijn 2012). Power can include the ability to impose one’s will on another and to control settings and the structure of interaction (Wolf 1990). In impoverished contexts, people are vulnerable to political marginalization (Corus and Ozanne 2012).
Despite what we do know about these various capitals in relation to the lives of those in impoverished contexts, the interactions between these forms of capital have yet to be delineated.

1.13. Multi-directional Relationship of Nine Capitals

Underpinning the term capital is the idea that, even when capitals do not create value directly, they can facilitate value creation through being a catalyst or a magnifier (Dean and Kretschmer 2007). Indeed, resources gain value through being converted and transferred (Macneil 1985), and value can be either economic or non-economic (Layton 2011). As such, capitals provide value not only in themselves (Bebbington 1999), but also through being converted into other capitals (Bourdieu 1986) and through affecting other capitals (Abel 2008). Abel (2008) describes an example of how capitals can influence each other:

“Our children’s higher educational status may later not only lead them to better paid jobs, but also be instrumental in acquiring social capital, for example by increasing their chances for membership in powerful networks” (p. 2).

In this way, changes to one capital can impact other capitals and emphasizing one capital over others can either contribute to or detract from communities (Flora, Flora, and Gasteyer 2016). Consequently, to assess the (potential) impact of changes, it is necessary to investigate these interconnected relationships.

One finds few efforts within academic marketing to delineate the nature of such interconnected relationships. However, discussions are found in other literature, including Bourdieu’s (1986) brief treatment of capital conversions (including economic, social, and cultural capital) in sociology, Abel’s (2008) delineated relationships between health and economic, social, and cultural capital in health sciences, and some delineated relationships between the various capitals in the Community Capital Framework (Flora, Flora, and Gasteyer 2016).

This paper builds on these contributions and theorizes as to the multi-directional relationships that exist between the nine forms of capital of the Integrated Capitals Framework. It discusses how these capitals interact in a way facilitating the output of well-being in the efficiency equation. The following section articulates these theorized
relationships, 72 in total, while acknowledging that such relationships are often complex. However, the described relationships provide a base from which to begin to untangle and acknowledge the diverse resource sets within the systems found in impoverished contexts.

1.13.1. Relationship between Financial Capital and Physical Capital

This paper proposes that financial capital has a positive and bi-directional relationship with physical capital. Financial capital can be used to purchase physical capital assets, such as tractors, televisions, and land. Access to and command over physical capital also contributes to financial capital. For example, an automobile can provide taxi services which earn financial capital. Physical capital not only involves privately held tangible assets such as taxis, but also the rights to use these assets, such as property rights. Clark (2002) argues that wealth starts with private property rights as these aid in generating wealth. For example, female ownership of land has been found to lead to productivity improvements (Agarwal 2001). As such, an increase in productivity of assets can lead to an increase in financial capital (Bird et al. 2004).

However, impoverished contexts often lack property rights (Banerjee and Duflo 2007). A lack of such rights may limit the ability to secure financial capital from lending institutions due to lack of collateral or an inability to secure financial gains from any improvements made to the property. Without property rights and other types of physical capital, generating wealth can be more challenging in impoverished contexts, this indicating a bi-directional positive relationship between the two capitals.

1.13.2. Relationship between Financial Capital and Human Capital

Human capital and financial capital have a positive and bidirectional relationship. Enhancing human capital can provide access to greater financial capital from, for example, access to higher-paying jobs (Coleman 1988). With more financial capital there is money to spend on increasing human capital. Some children in impoverished contexts
were reported to be attending budget private schools, where caregivers have the aim of improving future income (Subrahmanyan and Gomez-Arias 2008). But although some in impoverished contexts can attend such schools, most face constrained financial resources, which undermines access to educational opportunities which, in turn, can constrain human capital.

For example, those with scarce financial resources may be forced to keep children out of school to work in family businesses. Further, uncertainties in labour markets in impoverished contexts provide disincentives to specialization of skills, thereby undermining financial capital acquisition (Subrahmanyan and Gomez-Arias 2008). In this way, constrained financial capital can undermine human capital, while positive financial capital can support human capital.

This depletion in human capital can perpetuate the cycle of poverty through “changing how people look at problems and make decisions” (Shah, Mullainathan, and Shafir 2012, p.682). Notably, a study looking at decision-making in situations of constraints (Shah, Mullainathan, and Shafir 2012) found that people focus on the problems where scarcity is most prevalent, and this higher cognitive load leads to neglect in other areas (Shah, Mullainathan, and Shafir 2012). This propensity can explain certain perplexing observed behaviours in impoverished contexts such as over-borrowing, paying certain bills at the expense of others, and saving for specific expenses, rather than saving in a generic account (Shah, Mullainathan, and Shafir 2012). As this being so, there is a bi-directional positive relationship between human capital and financial capital.

### 1.13.3. Relationship between Human Capital and Physical Capital

Building up human capital can improve physical capital access and productivity. For example, knowing how to run machinery such as a tractor requires human capital, and this knowledge provides command over that physical capital. Additionally, human capital can result in more physical capital. For example, Beninger and Robson (2014) describe how those in impoverished contexts create physical resources, ranging from toys to
machinery, through repurposing of products. This creativity, driven by human capital, provided impoverished situations with increased access to physical capital.

Likewise, constrained physical capital can also set in motion a vicious cycle for human capital. The lack of electricity in households results in children having fewer hours to study, while students living in homes lacking books and other materials tend to study less and forget more (United Nations 2012). Conversely, having access to physical capital such as a place to study at home and learning materials can increase human capital (Coleman 1988). This relationship is thus bidirectional.

\[ \text{Human Capital} \leftrightarrow \text{Physical Capital} \]

1.13.4. **Relationship between Social Capital and Financial Capital**

Social capital is likely to be positively related to financial capital. Specifically, social networks can be sources of money: A study in Burkina Faso found that those at higher social capital levels have higher per capita household expenditures and increased credit access (Grootaert, Oh, and Swamy 2002). However, does financial capital positively relate to social capital? Those in impoverished contexts spend a significant portion of their smaller incomes on community-oriented events (Banerjee and Duflo 2007), potentially indicating social capital can be facilitated by financial capital investments.

However, this relationship is debatable. Higher incomes do not necessarily lead to higher social capital, despite the expectation that more money could gain one access to more social activities (Narayan 1998), this indicating a unidirectional effect. Indeed, in a series of nine studies, Vohs, Mead, and Goode (2006) found that participants primed with money asked for less help from others, offered less help to others, donated less to others, put more physical distance between themselves and others, were less likely to want to engage in social activities with others, and had a preference to work alone. This indicates that financial capital improvements do not necessarily improve social capital: instead it is possible that an increase in financial capital decreases social capital, this summarized as follows:

“As countries and cultures developed, money may have allowed people to acquire goods and services that enable the pursuit of cherished goals, which in turn diminished reliance on friends and family. In this way, money
enhanced individualism but diminished communal motivations, an effect that is still apparent in people’s responses to money today” (Vohs, Mead, and Goode 2006, p. 1156).

As such, higher levels of financial capital could undermine social capital.

\[ \text{Social Capital} \rightarrow \text{Financial Capital} \]
\[ \text{Financial Capital} \rightarrow \text{Social Capital} \]

1.13.5. Relationship between Social Capital and Physical Capital

Social capital and physical capital have a bidirectional and positive relationship. Social capital can help secure physical capital. In rural households, borrowing farming equipment from social networks resulted in higher financial returns (Putnam 1993). Just as social networks lend needed items, ‘knowing the right person’ can get you hard-to-get goods. Social networks provide access to sought-after products in low-income groups (Chikweche, Stanton, and Fletcher 2012), such as, for example, seeds, a physical capital (Cavatassì, Lipper and Winters 2012).

Similarly, donations from others in a social network can benefit those living in scarcity. Saunders (2010) found that an impoverished South African community was characterized by high rates of donations, where residents voluntarily gave away physical capital, “demonstrating a true sense of sharing with the extended community... [where] fellow members of the community are always treated as one's own family” (p. 445).

Relationships inherent in social capital can also help secure access to property rights (Islam et al. 2011). Moreover, households in impoverished contexts with limited land obtained a higher return from their investments in social capital then from their investments in other resources (Grootaert, Oh, and Swamy 2002), this indicating the connection between social capital and physical capital. Increased physical capital can also help to improve social capital, as it can be used to lend and donate more to others, thus building social capital.

\[ \text{Social Capital} \leftrightarrow \text{Physical Capital} \]
1.13.6. Relationship between Social Capital and Human Capital

Social capital has a positive relationship with human capital. Social networks provide access to knowledge and knowledge-related resources (Rosa 2012) and can increase the adoption of technologies, this resulting in productivity gains (Hassan and Birungi 2011). For example, social capital provided access to information about farming (Cavatassi, Lipper and Winters 2012). The relationship of human capital to social capital is more challenging to pinpoint. Education can teach social skills—which could potentially result in the ability to form strong relationships (Scheffler et al. 2010). Higher levels of skills and knowledge, in turn, might provide something to trade for or share, thereby facilitating the forging of connections with other groups. However, findings are mixed on whether higher levels of human capital, operationalized as education levels, positively impact social capital (see Scheffler et al. 2010).

Social Capital → Human Capital

Human Capital → Social Capital

The four remaining capitals, environmental, public, cultural and health capital, are discussed below. Though they have been less addressed in the literature, relationships exist between these capitals and financial, physical, human, and social capital.

1.13.7. Relationships with Natural Capital

A bi-directional and positive relationship exists between natural capital and physical capital. Agricultural technology improved access to and use of environmental resources in impoverished contexts in the Andes (see Bebbington 1999). Likewise, if there is access to a pump, pipes, or even a shovel, access can be secured to the natural resource of water through tapping into nearby waterways or digging wells. Additionally, natural capital can become physical capital. For example, wood can become furniture, brooms, and housing.
Further, there is a relationship between natural capital and financial capital. Gau et al. (2014) notes the importance of fishing and lumber access to the creation of financial capital. However, lack of natural capital, such as lack of access or overuse, can lead to constrictions in financial capital. People find themselves in poverty traps where intensive agriculture is limited by the productivity constraints of fragile lands; this in combination with lack of market access (Barbier 2012) can undermine their ability to generate financial capital. However, improved financial capital could result in purchases of natural capital, such as access to lumber and fishing grounds. Consequently, there is a positive and bi-directional relationship between environmental and financial capital.

\[
\text{Natural Capital} \leftrightarrow \text{Financial Capital}
\]

Additionally, there is a positive relationship between natural capital and human capital in that low levels of natural capital lead to low levels of human capital. As argued by Agee and Crocker (2016), “environmental hazards directly inhibit human capital formation and tempering their effects requires the investment of resources which might otherwise be devoted directly to this formation (p. 267-268)”. For example, women and girls in impoverished contexts spend an enormous amount of their time collecting firewood and water. This task is becoming increasingly time-consuming given challenges with desertification and deforestation (United Nations 2015), and “diverts women and children from self-investment activities to subsistence struggles” (Agee and Crocker 2016, p. 267).

The relationship of human capital to natural capital is more challenging to delineate. Improved human capital could facilitate access to and use of natural capital when more is known about ways to use, access, improve, or mitigate the loss of natural capital. For example, knowledge about maintaining soil fertility could improve access to natural capital. However, that same knowledge could result in an overuse of natural capital.

\[
\text{Natural Capital} \rightarrow \text{Financial Capital}
\]

\[
\text{Human Capital} \rightarrow \text{Natural Capital}
\]
Likewise, natural capital can have a positive or negative relationship with social capital. Natural capital can undermine the creation of social capital. For example, bridging social capital, which is extra-community social capital, was found to be lower in rural communities in Sweden (Sørenson 2016), which were isolated due to natural barriers such as mountains, water, and deserts. However, natural capital can also foster social capital when communities are forced to come together to manage shared natural capital. Rural communities, in general, were found to have high levels of bonding – or intra-community - social capital (Sørenson 2016).

In impoverished contexts, characterized by “agriculture, forestry, and other [natural] resource-dependent livelihoods, resources frequently exist under multiple property rights regimes. There are many different users” (Adger 2003, p. 389). As the different users come together, collective action is needed to manage these environmental resources (Adger 2003). In this way, social capital could act as a check on overuse of natural capital, this due to social repercussions.

Social capital can have a positive or negative relationship with natural capital. Gau et al. (2014) found that community-based initiatives that rely on social capital can improve natural capital. But the way social capital helps communities deal with environmental issues through managing natural capital (Adger 2003), it can have either a positive or negative effect. For example, communities can come together to replant or, alternatively, clear-cut forests, with the former contributing to natural capital and the latter not.

![Diagram of Natural capital and Social Capital relationships](image)

### 1.13.8. Relationships with Public Capital

Public capital can include hard and soft infrastructure, such as roads and information conduits. Public capital has a positive relationship with financial and physical capital. For example, if a community cannot bring their goods to market because of impassable roads, they are constrained in their ability to generate financial resources. These same limitations can undermine the purchase and transport into the community of physical goods. Similarly, lack of financial resources can undermine public capital. For example, on a macro-level, a lack of financial resources can exacerbate a lack of public capital,
this due to smaller government or community coffers because of smaller taxable incomes. Physical capital also has a positive relationship with public capital, as physical capital impacts the ability to link into what public capital is available. For example, a television set is required to tap into cable channels and a computer is needed to make use of the Internet.

\[
\text{Public Capital} \leftrightarrow + \rightarrow \text{Financial Capital}
\]

\[
\text{Public Capital} \leftrightarrow + \rightarrow \text{Physical Capital}
\]

There is a relationship between public and human capital. A lack of access to hard infrastructure, such as roads, can undermine people’s ability to attend school. This holds for soft infrastructure as well. Lack of access to formal informational conduits can constrain the ability to learn from global knowledge networks including educational institutions and the Internet (Shivarajan and Srinivasan 2013), thereby undermining human capital. Similarly, lack of human capital could also undermine public capital. For example, if there is lack of knowledge around how to dig latrines, this could undermine efforts to improve community-level sanitation, a public capital. As such, a positive and bi-directional relationship exists between public and human capital.

\[
\text{Public Capital} \leftrightarrow + \rightarrow \text{Human Capital}
\]

A lack of public resources could also undermine social capital. In particular, public capital could undermine bridging social capital – or the social capital between groups – which is often weak in impoverished situations (Ansari, Munir and Gregg 2012). In other words, though social capital is strong within an improvised community, social capital is often weak between communities and with the wider world (Ansari, Munir and Gregg 2012). Public capital plays a role here, as weak physical links between communities such as poor roads limit the access groups have to each other.

Further, social capital can be self-reinforcing, as people are attracted to each other because of their similarities, and become increasing similar as they work together; this increasing the robustness of the social networks (Ehrhardt et al. 2007). Physical proximity fostered through shared public infrastructure could reinforce social capital.
bonding. Thus, public capital has a positive relationship with social capital. This relationship is bi-directional.

Social capital can also improve public capital. In impoverished contexts, neighbourhoods and villages give rise to informal institutions that facilitate barter and non-barter exchanges (Sridharan and Viswanathan 2008). Social networks can enable marketplace access and facilitate information sharing (Narayan 1998). The high level of connectivity in impoverished contexts can bridge formal infrastructure, becoming, in itself, informal infrastructure (Elyachar 2012), a public capital. As such, social capital gives rise to public capital.

\[ \text{Public Capital} \leftrightarrow + \leftrightarrow \text{Social Capital} \]

The relationship between public and natural capital is challenging to delineate, with very limited scholarly work to draw upon. Public capital can either improve or hinder environmental resources in a community. For example, with access to an electrical grid, people may be less likely to collect wood for cooking, a change which can help to maintain natural capital. Access to appropriate sanitation options can improve natural capital access and control through diverting human refuse from waterways.

However, public capital can also hinder natural resources: the creation of formal infrastructure, such as roads, bioelectric dams and waste management plants, can change or destroy environmental resources. Likewise, natural capital could either hamper or improve public capital. For example, a waterway can be a thoroughfare used to ferry goods to market, while deserts can be a barrier hindering movement.

\[ \text{Public Capital} \leftrightarrow + \leftrightarrow \text{Natural Capital} \]

1.13.9. Relationships with Cultural Capital

Cultural capital has a positive relationship with financial and physical capital. Cultural capital can be used in the creation of products and services which bring wealth to a community (Beninger and Francis 2016). For example, rural communities in Sri Lanka produce for sale cultural goods such as weaving and brassware, knowledge that has been preserved generationally (Daskon and McGregor 2012). Financial resources could
be used to create or sponsor the creation of cultural artefacts such as paintings that comprise cultural capital. Likewise, as physical capital is acquired and used, the new forms of use could become part of the culture. For example, woven baskets are physical capital that can be decorated and shared, this resulting in transmission of the practices and traditions of cultural capital.

Cultural Capital ↔ Financial Capital

Cultural Capital ↔ Physical Capital

Cultural capital has a complicated relationship with natural capital. It can protect environmental resources, given that community knowledge is generated by a relationship over time within a specific environmental context (Subramanian 2010). For example, “the management of sacred groves and sacred sites which are still common in many tropical countries, especially in Asia and Africa… also serve as a refuge for biodiversity in the area” (Subramanian 2010, p. 227). The preceding quote indicates that cultural capital can provide access to and enhancement of natural capital within the community. However, practices and values that do not appreciate natural resources can decimate natural capital. On the other hand, as community knowledge comes from an inherent understanding and relationship of natural capital (Subramanian 2010), natural capital can also contribute to cultural capital.

Cultural Capital → Natural Capital

Natural Capital → Cultural Capital

Cultural capital is tightly linked to human capital through community knowledge, knowledge held collectively and shared within the community. Cultural capital contributes to human capital in that it provides a store of potential community knowledge. By drawing on cultural resources, human capital can be fostered. However, cultural capital can also undermine human capital. If there is a cultural norm of, for example, not sending girls to school, then human capital can be undermined. And indeed, there are
gender disparities between female and male school attendance in many communities across the world (United Nations 2015).

Further, human capital can contribute to cultural capital. As new things are learnt, they can be adopted into and held within the culture. However, new ideas and practices could also cause division in groups, thereby undermining the bond between a group of people, this weakening the group's cultural capital.

Cultural Capital \(\leftrightarrow\) Human Capital

Inherent in cultural capital is the notion of relationships in the community, or social capital. Cultural capital is forged through interactions within a group; therefore, social capital can contribute to cultural capital. In other words, as people come together they develop shared practices, traditions, and values which increasingly bind group members together, thereby giving rise to cultural capital. Further, as cultural capital increases, social capital can also be improved. By connecting people through cultural practices, beliefs and traditions, bonds could be strengthened. For example, cultural events, such as community dances and festivals, can bring together groups and positively contribute to social capital. As such, a positive and bidirectional relationship exists between these capitals.

Cultural Capital \(\leftrightarrow\) Social Capital

The relationship between cultural capital and public capital is a challenging one. Cultural capital can provide public capital. Communities in Iran have traditional practices about sustainable irrigation (WIPO n.d.), thereby providing the community with water. Further, the Nepalese have a specific practice of distributing products as part of its cultural capital: This tradition was so strong that the practice was used by the Nepalese government in the 1990s (World Bank 1998).

However, ideas and values can also undermine public capital, such as through failing to invest in infrastructure. Public capital likely supports cultural capital, as cultural capital relies on the binding together of groups through ideas, traditions, and values. Public capital, comprised often of linking conduits such as paths between homes, can help bind groups together and allow for transmission of ideas, traditions and values.
1.13.10. Relationships with Health Capital

Health capital has a positive relationship to physical capital. A potter can use their hands to create a pot and a farmer uses their body to sow the field. Physical capital can also generally improve health capital. Instead of using hands to ready and plant the fields, machines can farm the land, a change which takes strain off the body. Similarly, a supportive bed can restore a sleeping body, while an appropriate chair can put the body into an optimal position for studying or working. However, some forms of physical capital could undermine health, such as products that contain lead, bisphenol A, and other contaminants (Flora, Flora, and Gasteyer 2016). That being so, this relationship can be positive or negative.

There is a positive relationship between financial capital and health capital. This relationship is articulated by the World Health Organization (2003): “Many of the world’s poor, despite regional differences in geography, culture and commerce, experience the same discouraging cycle: being healthy requires money for food, sanitation and medical care, but to earn money, one must be healthy” (p. 8). In this way, improved (or poor) health capital can improve (or undermine) income-generating activities.

There is also a positive relationship between financial capital and health capital. Increased financial capital can improve opportunities to maintain a healthy body, this through accessing healthy food, medicines, and treatments (Abel 2008). People in impoverished contexts often face systematic marginalization in accessing healthcare (Saatcioglu and Corus 2014). Without access to appropriate healthcare, illnesses remain untreated and limit income-generating work. For example, impoverished American
children are more likely to have short-term hospital stays and report lower levels of health compared to non-poor children (Brooks-Gunn and Duncan 1997).

A positive and bidirectional relationship exists between health capital and human capital. Impoverished children in the United States are more likely to repeat grades, be expelled or suspended, and withdraw from school (Brooks-Gunn and Duncan 1997), with ill health a contributing cause. Similarly, improved health capital can lead to increased human capital, as people are able to attend and pay attention at school. Further, health literacy is intertwined with literacy in reading and writing, as well as with a wider understanding about health and its outcomes (Nutbeam 2000).

Health literacy is defined as “being able to apply literacy skills to health-related materials such as prescriptions, appointment cards, medicine labels, and directions for home health care” (Parker et al. 1995). If there is a lack of knowledge around how to treat certain diseases, health can be threatened (Flora, Flora, and Gasteyer 2016). For example, lack of knowledge about the medical benefits of washing hands could cause infections. In other words, lower levels of human capital can undermine health capital and vice versa.

There is a positive and bidirectional relationship between health and public capital. Inadequate public capital has a negative impact on health capital. Many of the world’s poor live in environments with poor sanitation and a lack of clean water, this resulting in poor health (World Health Organization 2015), a problem compounded by lack of access of other forms of public infrastructure such as health insurance (Subrahmanyan and Gomez-Arias 2008) and healthcare (Banerjee and Duflo 2007; World Health Organization 2003). Communities in rural areas may lack pharmacies and health care centers, and poverty can limit the ability to travel to these services (Flora, Flora, and Gasteyer 2016). Similarly, poor health capital could negatively impact public capital, especially informal infrastructure, as sick individuals are unable to engage in the activities that drive informal marketplaces.
There is also a positive and bi-directional relationship between health capital and natural capital. Natural capital provides a community with the ability to grow the food necessary to nourish the body, while waterways provide hydration. Conversely, decimated natural capital, such as pollution, can undermine health (Flora, Flora, and Gasteyer 2016). Further, as health capital improves, so can access to natural capital. People in impoverished contexts often lack the political clout necessary to protect their land, this resulting in the need to continuously work the land, as leaving it fallow can lead to others seizing it (Banerjee and Duflo 2007). If farmers are required to take time off due to health reasons, access to natural capital, such as farming fields, could be lost.

Health and social capital appears to be positively related to each other. In a review of 13 studies, social capital was revealed as having a positive impact on health (Murayama, Fujiwara, and Kawachi 2012). This result could be due to interpersonal support offered around health issues and having access to health information (Abel 2008). Likewise, in less developed countries, social capital was found to relate to better health outcomes for children, as well as to better self-rated health (see Story 2013). Health capital also positively relates to social capital, where engaging in social interactions is more likely if people are healthy. Therefore, there seems to be a positive and bidirectional relationship between social capital and health capital.

Regarding cultural capital, healthy people would be more likely to partake in cultural activities such as ceremonies and entertainment. As such, there is likely a positive relationship between health capital and cultural capital. However, the relationship between cultural capital and health capital is complicated. As stated by Abel (2008): “Cultural capital in the form of health values, perceptions, health knowledge and behavioural norms provides the non-material resources needed to develop healthy lifestyle patterns and deal effectively with health issues on an everyday basis” (p. 2). For
example, cultural values around health, as well as cultural norms, such as cycling for recreation, would influence health (Abel 2008) but cultural norms can also prevent people from seeking health advice (Flora, Flora, and Gasteyer 2016). Therefore, certain cultural capital elements would likely be supportive of health capital but others not. The impact on health capital could therefore be positive or negative depending on the particular cultural element.

\[
\text{Health Capital} \rightarrow^+ \text{Cultural Capital}
\]

\[
\text{Cultural Capital} \rightarrow^+ \text{Health Capital}
\]

1.13.11. Relationships with Political Capital

A powerful group can make decisions that reinforce their own prosperity by influencing economic structures in their favour (Narayan 1999) in a way that gains them money and physical items. In other words, power can provide access to financial resources (Arora and Romijn 2012). For example, in India, lower living standards are associated with lower caste members, individuals who have far less power in their communities (Arora and Romijn 2012).

Likewise, access to finances can bring about political capital. Further, physical assets can impact power levels (Lindeman 2014). For example, tickets can be bought to political events, while having the ‘right’ clothes can buy legitimacy. As such, there is a positive and bidirectional relationship between political capital and financial/physical capital.

\[
\text{Political Capital} \leftrightarrow^+ \text{Financial Capital}
\]

\[
\text{Political Capital} \leftrightarrow^+ \text{Physical Capital}
\]

Political capital can reinforce or challenge the status quo in a manner which can exclude some people from having a voice (Flora, Flora, and Gasteyer 2016). In this way, political capital can influence social exclusion, where social exclusion “refers to the
societal and institutional processes that exclude certain groups from full participation in the social, economic, cultural and political life of societies” (Narayan 1999, p. 4). As such, political capital can undermine social capital. However, this is not a given, as political capital can also be leveraged towards inclusivity.

When there is a marked difference in social capital across groups, more powerful groups can exclude other groups (Narayan 1999). This indicates that lower levels of social capital can decrease the amount of political capital. On the other hand, power can be used to help gain access to social resources (Arora and Romijn 2012). For example, communities in Thailand were able to leverage social capital towards political capital by involving exclusive networks that could enact change (Birner and Wittmer 2003). One must therefore conclude there is a positive relationship between social capital and political capital.

Public capital is influenced by political capital, where “formal institutions… typically reflect the interest of the more powerful” (Narayan 1999, p. 2). Hence, political capital can determine public capital, either helping or hindering it. However, access to infrastructure, such as communications technology, can increase political capital. For example, shifts in power have been noted as a result of the introduction of the newspaper and the Internet (see Narayan 1999).

Power can influence the control of information in networks (Shivarajan and Srinivasan 2013), either facilitating or undermining human capital. Indeed, power can also undermine the mobility of certain groups (Narayan 1999) by limiting access to education, information, and knowledge. Thus, political capital can have either a positive
or negative relationship with human capital. Human capital, however, likely has a positive relationship with political capital, as knowing how, for example, to transmit ideas can generate political capital. Indeed, human capital is linked closely with the functioning of political institutions (United Nations 2016).

Political Capital $\rightarrow$ Human Capital

Human Capital $\rightarrow$ Political Capital

Political capital can either help or harm natural capital. Political capital can bring about the rules and regulations that protect natural resources, through, for example, fining polluters (Flora, Flora, and Gasteyer 2016). Alternatively, it can allow for the decimation of natural capital. Natural capital, in turn, can bring about political power. While not a given, a group which controls important natural resources could wield considerable influence in a community, thereby improving political capital. For example, controlling a thoroughfare such as a waterway or a body of water can provide considerable political capital.

Political Capital $\rightarrow$ Natural Capital

Natural Capital $\rightarrow$ Political Capital

Political capital has either a positive or negative relationship with health capital. Those in power can determine what foods are available and what health behaviours are, or are not, supported (Flora, Flora, and Gasteyer 2016). These decisions by the powerful can be to the detriment of health capital or can support it. Similarly, health capital can impact political capital. A healthy person is more likely to be able to gain power than is a person who is dealing with illness or disabilities.

Political Capital $\rightarrow$ Health Capital

Health Capital $\rightarrow$ Political Capital
Cultural capital is rooted in asymmetric power relations (Arora and Romijn 2012), where cultural traditions and values can determine to what extent group members have political capital. As such, cultural capital can either positively or negatively impact political capital depending on the situation. Further, political capital can either help or harm cultural capital, by either choosing, or not, to transmit and encourage the adoption and use of cultural capital. For example, the market-led approach to poverty reduction has been criticized for entrenching traditional power structures, thereby presuming to know what those in impoverished contexts want and need (Bonsu and Polsa 2011).

Political Capital ↔ Cultural Capital

Though the relationships between these nine forms of capital are often complex, delineating these relationships helps to provide insight into the complex situations found in impoverished contexts. Contextual factors can govern how some capitals interact with each other. For example, interventions aimed at improving human capital can either harm or support social, natural, and cultural capital. Cultural capital, in turn, can have either positive or negative impacts on human, natural, and public capital. This highlights the importance of cultivating an understanding not only of the community's resource set, but also of the contextual factors that impact the interrelationships between the various capitals.

A visual overview of these relationships is presented in Figure 2 below. The figure is read left to right. In other words, the farthest left column lists the originating capital. For example, financial capital has positive relationships with all other capitals, except social capital, where there is a negative relationship. Physical capital has a positive relationship with all other capitals except health. And so on.
1.14. Discussion of Well-being Efficiency

Seeking to improve the efficiency of flows of products, services, experiences, and ideas within a marketing system is desirable (Layton 2011). Towards this end, this paper articulates a more appropriate and precise definition of efficiency where nine forms of resources (the inputs) contribute to well-being (the output) and collectively shape ‘well-being efficiency.’ This paper considered a number of resources – conceptualized as capitals - and synthesized six distinct capital frameworks drawn from both academia and corporate/public practice to create its Integrated Capitals Framework. In doing so, the paper goes beyond the dominant focus on economic efficiency in marketing to consider a number of resources that also contribute to "well-being efficiency within marketing systems (see Figure 3 below). As such, it builds on foundational work in marketing regarding resources of importance in marketing and development.
Further, this paper also explored the complex system of relationships between resources underpinning impoverished contexts, showing how affecting one capital could affect the well-being of the entire system. A simple example highlights this connection (illustrated in Figure 4 below). If a community were to receive an influx of financial capital (highlighted gray), the model tells us this leads to an increase in health capital while at the same time decreasing social capital (shown as (1) in Figure 4).

Given the existing interrelationships, this decrease in social capital (highlighted gray) would lead to a decrease in financial and health capital (shown as (2) in Figure 4). As health capital falls (highlighted gray), this would lead to decreased financial capital and social capital, given the positive relationships these capitals have to one another (shown as (3) in Figure 4). All other things held equal, the well-being of the system in question has been undermined.
Figure 4: Illustrative Example of the Relationships Between Capitals

The strengths of these relationships can vary depending on contextual factors and these relationships are not necessarily isometric, where the effect of an increase is the same as the effect of a decrease. Nevertheless, this example highlights the possibility that there are wider impacts within a system detrimental to well-being. The relationships delineated between the capitals of the Integrated Capitals Framework underscore the importance of going beyond focusing on capitals in isolation or focusing only on economic efficiency. Doing only that would obscure the ripple effect on the overall system. Nonetheless, even if the focus were to be solely on economic efficiency, the interrelationships between the capitals mean that there could indeed be unintended consequences. As such, this model helps to predict the overall impact on the well-being of the system. It can also be subject to empirical testing, something that would further guide future predictions and research.

This paper also provides a way to further our understanding about both how and how well local market systems interact with other systems. When international organizations engage in activities in impoverished contexts with the goal of transforming the local system, the sets of capitals of the two distinct systems interact. Understanding how these two sets effect each other could be instructive.

Given that the Integrated Capitals Framework drew upon two capital frameworks aimed at the organizational level, it seems appropriate to use the integrated framework when considering the marketing organization of intervening multinationals. For example, ITC in India sought to improve the economic efficiency of the distribution channels in
India’s agricultural system. The account by Varman, Skålén, and Belk (2012) of this transformation reveals that ITC brought its own set of capitals to the local context including deep pockets (financial capital), power (political capital), values around the importance of modernization taking a Western perspective (cultural capital), computers and other technology (physical capital), relationships with community and government leaders (social capital), and knowledge around connectivity and agricultural practices (human capital).

ITC’s enacted changes appears to have benefited the company from a financial and political capital perspective, as well as benefiting some community members in terms of financial, physical, and political capital. However, those community members who benefited were already higher-powered members in their community (an aspect of public capital). As such, the resource set of the company served to potentially entrench power relations within the community. While it also improved information and communication technology and connectivity access (public capital) for some, the actions taken may have widened the gulf between the have and the have-nots in the community and reconfigured relationships through the changes made in the distribution channels (social capital).

Taking a ‘well-being efficiency’ approach to impoverished contexts can contribute to the increased likelihood of transformation attempts leading to positive outcomes. By identifying these capitals, scholars and practitioners can aim to improve – or at least maintain – the sets of resources that comprise the well-being of communities. Ignoring other capitals can undermine well-being and therefore ultimately rob the community of resources while, potentially, having a negative impact on the initiating organizations. That being so, this study has specific implications for practitioners.

1.14.1. Implications for Practitioners

Too often, interventions aimed at improving impoverished contexts focus on financial or physical capital, while failing to account for other capitals. Indeed, a review of literature focused on market-based interventions in impoverished contexts found that economic outcomes were reported far more often than were social and environmental outcomes (Kolk, Miguel Rivera-Santos, and Rufín 2013). Further, ignoring other capitals and the relationships between them can negatively impact both the local community and the
organization. For example, Beninger and Francis (2016) discuss how an organization leveraging a community’s cultural capital resulted in harm being done to the financial, physical, human, and cultural capital of a community, with this subsequently having legal and ethical ramifications for the company concerned.

Towards rectifying these issues, managers can use the Integrated Capitals Framework to assess the impact of their marketing activities in impoverished contexts. When engaging in marketing in such contexts, practitioners have been encouraged to create appropriate products and services through using the 4As approach, one which includes the following four elements: awareness, affordability, accessibility, and availability (Prahalad 2005; Prahalad 2012). In what follows, the author illustrates how the Integrated Capitals Framework could be employed in efforts to assess marketing activities using a 4As approach.

Organizations need to create appropriate products for impoverished contexts (Prahalad 2005). The Integrated Capitals Framework can be used to assess the current situation in a community and, hopefully, to avoid making mistakes in marketing. For example, Facebook offered free internet connections to impoverished Indian consumers, but that access was limited to a number of pre-selected Internet websites, including Facebook. While this offering provided public capital (access to infrastructure), human capital (access to information), and social capital (access to social groups), as well as indirect access to financial capital (savings on connectivity), what it failed to account for was cultural and political capital.

Indian consumers, members of the world’s most populous democracy, rejected the Facebook offering using boycotts, action which was swiftly followed by Indian regulators who banned this product offering (political capital) (van Boom 2016). The product did not fit with India’s democratic ideals around openness and freedom (cultural capital). Had Facebook assessed the cultural capital existing within the country, they may well have avoided an embarrassing situation. This example underscores the importance of understanding the variety of capitals at play in any given targeted system.

Awareness, as part of the 4As, focuses on ensuring that people are made aware of the products and services on offer (Prahalad 2005). The Integrated Capitals Framework can be used to assess promotional activities. While marketing efforts have
attempted to integrate social capital and cultural capital elements when approaching promotions in impoverished contexts (see Beninger and Robson 2015), other capitals could be considered. For example, a food producer, Solae, recruited local spokeswomen to host neighbourhood-level cooking events (Simanis 2012). These promotional activities contributed to social capital (linking people together through the event), physical capital (providing them with food), human capital (providing them with cooking training), and cultural capital (focusing on cultural dishes). By taking into account both a diversity of capitals and the interactions between them when considering promotional activities, marketers can potentially provide a wider flow of benefits to communities and avoid unintended consequences.

Affordability is essential when engaging in impoverished contexts (Prahalad 2005). Accounting for a wider array of capitals when approaching the market could allow marketers to better assess the costs inherent in their products and services. The poor face a number of constraints in their system and these resource constraints can be reconceptualised as ‘costs.’ For example, those in impoverished contexts face limited financial capital and they pay higher prices (Prahalad 2005). This, in turn, limits their ability to buy products and services that could save them time (physical capital), itself also a cost. Likewise, they may face transportation constraints (public capital) that limit their ability to engage in comparison shopping across shops (Viswanathan et al. 2008), a fact which, in turn, further drives up their costs (physical capital). Marketing managers can seek to reduce a broader range of costs by viewing both the direct and indirect positive and negative outcomes related to all nine capitals as costs. Through doing so, the real affordability of offerings can be better assessed.

Availability and accessibility are also important aspects of marketing in these contexts: Products and services need to be delivered in an uninterrupted way to the largest possible number of customers (Prahalad 2012). Marketing managers can seek to improve availability and accessibility by recognizing the relationships between these capitals in any given system. For example, micro-franchising has been explored as a unique way to distribute in impoverished contexts. A successful example of this is Fan Milk Limited in Ghana, which is owned by the French multinational Danone (Christensen et al. 2010). Fan Milk provided its micro-franchisors, who are from impoverished communities, with free transportation repair (physical capital), health insurance (health capital), savings programs (financial capital), training (human capital), and networking
with other vendors (social capital), as well as indirectly supporting unique delivery options (public capital) in a sustainable way by providing bicycles (impacting natural capital). Christensen et al. (2010) found that locals who engaged in micro-franchising were more likely to achieve higher revenues, savings and employment outcomes, have lower debts and enjoy an overall higher return on investment than did non-franchised entrepreneurs working in the same industry.

1.14.2. Future Work

Through providing a more appropriate goal for efficiency in impoverished contexts, that of ‘well-being efficiency’ and then relating that goal to the Integrated Capital Framework, this paper hopes to motivate future research directed at generating new theories, concepts, and approaches that would improve – or at least maintain – well-being in impoverished contexts. Although emerging research in marketing has provided more insight into other resources, such as social and cultural considerations, all discussed capitals could benefit both from greater theoretical development and more empirical research. Further, while this paper has drawn on literature across an array of disciplines to support its reasoning, that existing literature largely lacks empirical research devoted specifically to exploring the relationships between capitals.

Capitals in this paper, with some limitations, could potentially be operationalized by scholars. Financial capital can be measured as income and/or net financial assets; human capital by measuring the education level attained or by using cognitive measures; and physical capital by measuring the number and type of tangible goods owned. Social capital is arguably harder to measure and is an area ripe for future research. It could be approximated, however, by studying the number of contacts, as well as the frequency, nature, and accessibility of these contacts. For example, Dwyer’s (2007) study on electronic word-of-mouth used a metric of aggregated personal contributions and their impact on important others to form a measure of social capital. Shultz, Rahtz and Sirgy (2017) have also included aspects of natural capital and political capital that could be operationalized.

Health capital could be assessed through a variety of health metrics, such as those employed by the World Health Organization. Natural, cultural, public, and political capital can be challenging to measure, making this an interesting area of future
research. However, measuring these capitals in isolation would undermine the importance both of understanding how the different capitals interact and of employing a systems-wide approach.

Additionally, these capitals also impact other aspects of the marketing system, where “differential access to resources led to differences in family and community structures, roles, and power and the flow of opportunities was rarely the same for everyone in a community” (Layton 2015, 307). An important avenue of future research would thus be to investigate how differing resource levels impact, and is impacted by, other areas of the marketing system identified by Layton (2009), such as exchanges contexts, organizing principles, and network structure and dynamics. In effect, future work could also strive to assess effectiveness, or whether these capitals are successful in producing a desired outcome, that of wellbeing. Indeed, understanding both efficiency and effectiveness within marketing systems is needed.

In addition, Shultz’s (2012) call to examine the crucial elements of well-being, including “at what levels, on what measures, for how many stakeholders, and for what length of time?” evokes questions specifically around these resources in relation to well-being. For example, what levels of these nine resources are needed to achieve well-being? Are any of these resources more important than others when striving for well-being? If so, for whom and when? Indeed, some sacrifices might be needed to maintain other areas of the system (Beckman 1940). What would such a sacrifice look like? How best can interventions manage the complex interplay between these nine capitals to produce the maximum output of well-being? What subtle and overt forces drive conditions of scarcity across resources?

The latter question is particularly thought-provoking. Some resources are thought to be inevitably scarce, in that scarcity is an environmental element of the human condition given the closed nature of the world system (Daoud 2010). However, scarcities can also arise from human behaviour, either on the supply side or the demand side, as well as from a purposeful creation of scarcity by institutions and processes (Clark 2002), an outcome called manufactured scarcity (Bogale and Korf 2007; Homer-Dixon 1995; Mehta 2001). For example, technological solutions designed to overcome scarcities may not be implemented because of those with vested interests in the existing system (Aguilera-Klink, Pérez-Moriana, and Sánchez-Garcia 2000), related to political capital.
This could especially be the case in low-income countries, as the power of small coalitions is relatively high in such countries (Homer-Dixon 1995). This being so, a much more nuanced view of these resources as they operate within the wider macromarketing environment would be especially useful.

Through investigating these and other questions, we can take a step towards understanding more about how to approach efficiency in impoverished contexts and more specifically, how to do so in marketing systems. Finally, while the broadened view of efficiency espoused in this paper is focused around impoverished contexts, it could likely be applied to a wider range of contexts whenever improvement of well-being is the goal, not just in those contexts we generally refer to as ‘poor’. Indeed, the relationships between the elements in the Integrated Capitals Framework need to be assessed within such other contexts, if we are to determine if such relationships are a constant or vary.

1.15. Conclusion

This paper underscores the need for precision in using the term efficiency. It illustrates that there is no such thing as efficiency per se, but that efficiency needs to be defined in relation to the outcome sought – in this case – well-being. Evaluating efficiency in impoverished contexts with respect to well-being, calls for both consideration of a wide range of capitals and an understanding of the relationships between these capitals. Towards this end, this paper provided a more nuanced goal of efficiency, that of 'well-being efficiency'; proposed an Integrated Capitals Framework of capitals that are the inputs in the efficiency equation; and, taking a systems wide approach, theorized as to the relationships that exist between the different kinds of capitals.

Conceptually, this paper contributes to macromarketing thought as it relates to the resource sets that impact impoverished contexts. It shows how development can be undermined through focusing on a limited number of capitals or, as is often done, only on economic efficiency. It argues, instead for a thorough investigation of the myriad of interrelationships between nine different capitals. For practitioners, this paper highlights the benefits of using the Integrated Capitals Framework, as well as the 4As approach, to guide their marketing activities in impoverished contexts.
Chapter 4

Paper 3: The Middleman Myth: Understanding the Role of Small-Scale Intermediaries in System Resilience in Impoverished Contexts

1.16. Introduction

Intermediaries are generally considered crucial members of market systems (Bessy and Chauvin 2013; Hayami and Kawagoe 2001, Spulber 1996). Limited work on small-scale intermediaries in impoverished contexts find that they provide flexible and quality products and services (Endo 2014) in a way that cultivates customer loyalty (Gupta and Srivastav 2016). Despite these recognized benefits of small-scale intermediaries, business researchers tend to view intermediaries in impoverished contexts as problematic, accusing them of extorting, controlling, and intimidating others in their system (i.e. Ansari, Munir, and Gregg 2012; Kistruck et al. 2013; Prahalad and Hammond 2002; Vachani and Smith 2008). To deal with these problematic intermediaries, scholars argue that local small-scale intermediaries should be replaced (i.e. Hart and Christensen 2002; Ireland 2008; Rivera-Santos and Rufin 2010) with, for example, multinationals (Ireland 2008) and other aggregate intermediaries of their choosing (Prahalad 2005).

The call to transform local market systems in this way appears reflective of a more general trend towards modernization that favours industrialization, urbanization, and occupational specialization (Inglehart and Welzel 2009). Modernization is focused on societal evolution, and thus economic development (Shultz et al. 2005). For more than half a century, the modernization agenda has targeted traditional systems for replacement, especially in impoverished contexts (Goldman, Krider, and Ramaswami 1999). The business literature treats local systems “as impediments for the development of market exchange systems, as primitive practices to be broken, rather than as alternative… systems” (Firat, Kumcu, and Karafakioglu 1988, p. 331). Within this paradigm, informal local systems are replaced with formal market elements (Araujo 2013), decentralized and small-scale are replaced with centralized and aggregated options (Escobar 1997), and ‘inefficient’ traditional and small-scale enterprises with
‘modern’ alternatives (Beckman 1940; Goldman, Ramaswami, and Krider 2002). In this way, it is expected that “market stalls [will] give way to shop fronts, “mom and pop” stores to supermarkets” (Layton 2015, p. 11), while development is associated with consolidated supply chains (Shultz et al. 2005).

The assumptions derived from a modernization approach seem to underpin the theorizing related to how market systems in impoverished contexts can be improved (i.e. Karamchandani, Kubzansky and Lalwani 2011; Prahalad 2005; Prahalad 2012; Schuster and Holtbrügge 2012). For example, the base/bottom of the pyramid literature has long argued that market-based strategies, where multinationals and other external organizations are called on to engage in and change impoverished contexts, can be a road to poverty reduction (Hart and Christensen 2002; Prahalad 2005; Prahalad and Hart 2002). However, emerging research strives to cultivate a deeper understanding of impoverished contexts prior to such changes (Viswanathan and Rosa 2010; Viswanathan and Sridharan 2009), where impoverished contexts are characterized by complex interactions that develop and maintain over time (Viswanathan, Sridharan, and Ritchie 2010).

A growing body of work has questioned and critiqued the rhetoric surrounding market-based strategies in impoverished contexts (i.e. Arora and Romijn 2012; Beninger and Francis 2016; Chatterjee 2014; Chatterjee 2016). However, few studies have actually investigated the role of these small-scale intermediaries within their local systems. Understanding these systems prior to changes being made is important, given that such systems can be vulnerable to disturbances, a vulnerability which can ultimately lead to catastrophic failures (Fiksel 2003). Towards this end, this study sought to understand small-scale intermediaries and their role within an in situ traditional system in an impoverished context, with a particular focus on their contribution to systemic resilience.

Resilience has been applied in a diversity of fields, including ecology, development, engineering, and, more recently, business and marketing. Research on resilience in marketing is limited, and is considered an area under-theorised and under-investigated (Hutton 2016) with but a few notable exceptions (i.e. Baker 2009; Hutton 2016; Teller, Wood and Floh 2016). In addition to a growing academic interest in marketing, there is also a practitioner interest in resilience (see Tukamuhabwa et al.
Policy makers, development agencies, and communities increasingly view resilience as a dominant goal of development (see Béné et al. 2014). In addition, the United Nations (2015) recently named resiliency as an important part of the larger goal to create sustainable communities by 2030 under their Sustainable Development Goals. Resilience has been conceptualized in a number of ways (see Linnenluecke 2017), with definitions emphasizing “the ability of systems to absorb and recover” (van der Vegt et al. 2015, p. 972), or “maintain [their] functions and structure in the face of internal and external change” (Allenby and Fink 2005 p.1034).

In business, “many (if not all) avenues are open for future research in resilience” (Vogus and Sutcliffe 2007, p. 3420). Indeed, there have been a number of calls for further empirical work on resilience (Bhamra, Dani, and Burnard 2011; Hutton 2015; Linnenluecke 2017; Sutcliffe and Vogus 2003; van der Vegt et al. 2015; Vogus and Sutcliffe 2007) to build on the limited research to date (i.e. Powley 2009; Williams and Shepard 2016). George et al. (2016) argued that external disturbances can have a disproportionate economic and social impact on impoverished individuals. In particular, van der Vegt et al. (2015) suggest the need to empirically understand resilience in organizations and supply chains, this adding to earlier calls to increase our understanding of resilience in relation to small enterprises (Bhamra, Dani, and Burnard 2011), communities (Norris et al. 2008), and in contexts of poverty (Béné et al. 2014; Hutton 2015).

This study addresses these calls. It explores the role of small-scale intermediaries through an inductive approach involving interview-based and observational data of an *in situ* traditional system in the Republic of the Union of Myanmar. Its findings indicate that small-scale intermediaries play a crucial role in the resilience of their system, in that their work supports the system in absorbing and recovering from disturbances. Overall, this paper offers two main contributions with respect to intermediaries: First, it uncovers and identifies the work of small-scale intermediaries that contributes to resilience in their system and provides a typology of disturbances. Also, the paper questions existing recommendations regarding disintermediation in local systems in light of these findings. It thereby challenges assumptions underpinning the modernization paradigm and contributes to a better understanding of impoverished contexts.
The following section reviews literature that helps us better understand the role of intermediaries in impoverished contexts. This section conceptualizes the potential benefits both of intermediaries in general, and, more specifically, of small-scale intermediaries in improvised contexts. Documented criticisms and benefits along with salient work on resilience are reviewed. Following this, the paper overviews the research methodology employed in this study and presents the findings which detail how the work of intermediaries in the examined system contributes to systemic resilience. Finally, the paper turns to the implications and discusses directions for future research.

1.17. Theoretical Background

1.17.1. Intermediaries

Intermediaries are important market actors in marketing. They facilitate transactions between buyers and sellers (Spulber 1996) by bridging gaps between other market actors and even industries (Gassmann et al. 2011). In general, intermediaries are thought to play a valuable role in the global economy, where without intermediaries, “commerce will, quite simply, collapse” (Ricart et al. 2013, p. 85). More specifically, intermediaries are thought to improve market efficiency while contributing to the construction and functioning of markets (Bessy and Chauvin 2013; Spulber 1996) by providing market access, smoothing market fluctuations (Spulber 1996), spotting opportunities (Popp 2000), and forging trade links (Ahn et al. 2011). A diverse set of economic agents can carry out intermediary functions including retailers, wholesalers, brokers (Spulber 1996), and matchmakers (Bessy and Chauvin 2013).

In addition to their wider macro functions, intermediaries perform specific tasks in their systems, including selecting, storing, transporting, and pricing goods; coordinating exchanges and information flows; monitoring suppliers and quality; holding financial assets and inventory (Spulber 1996); and managing relationships (Fung, Chen and Yip 2007). Intermediaries can potentially undermine systems through manufacturing or failing to stabilize price fluctuations (Bieri and Schmitz 1974), by acting opportunistically (Bessy and Chauvin 2013), or by exploiting power differentials (Bessy and Chauvin 2013). However, their forging of strong relationships can lead to beneficial interdependencies within supply chains which can overcome concerns, enhance performance (Buchanan 1992), and reduce the likelihood of disintermediation (Fung,
Chen and Yip 2007). Within these relationships, suppliers of intermediaries are thought to provide quality, flexibility, and competitive prices in return for receiving steady orders, income, and market information from intermediaries (Fung, Chen and Yip 2007). Customers provide income streams and market information to their intermediaries in return for goods and services and reduced search and evaluation costs (Spulber 1996).

The number of intermediaries in an industry can range from a multiplicity of firms to systems characterized by a few organizations, such as an oligopoly or a monopoly. This number can change. Changes can take the form of disintermediation, or the total or partial removal of intermediaries from marketing channels (Mills and Camek 2004; Rosenbloom 2007), thus reducing the number of distinct intermediaries present in the market. Disintermediation is theorized to drive down costs while improving scale economies, efficiency, and shopping environments (Galbraith and Holton 1965; Goldman 1981; Samiee 1993; Savitt 1988), but also brings concerns such as lost incomes (Polsa and Fan 2011) and less locally responsive services for consumers (Endo 2014).

Disintermediation can arise from shifts in consumer demand, such as when consumers buy from fewer intermediaries, thereby causing intermediaries to go out of business (Rosenbloom 2007). Disintermediation can also occur as a result of changes in the competitive landscape (Rosenbloom 2007), such as shifts in manufacturer selling decisions (Mills and Camek 2004) or governmental and policy actions (Polsa and Fan 2011). Shapiro (2008) dubbed this the ‘Walmart effect,’ where local providers are run out of business or subsumed by larger providers. Organizations can also bring about change by vertically integrating, which brings the distinct aspects of supply chain under fewer numbers of companies. For example, this can involve processes such as organizations expanding in-house functions or merging with existing intermediaries whereby raw material acquisition, manufacturing, distribution, and retail are handled internally. Additionally, horizontal integration can be sought, which brings together an aspect of the supply chain under one company, which can also take the form of internal expansion or mergers and acquisitions. For example, ITC engaged in horizontal integration through consolidating wholesaling intermediaries and bringing them under their control in the agriculture supply chain in impoverished contexts in India (Varman, Skålén, and Belk 2012). Importantly, scholars have called for the disintermediation of supply chains in impoverished contexts (i.e. Ireland 2008; Hart and Christensen 2002; Prahalad 2005;
Rivera-Santos and Rufin 2010) with larger aggregate providers (Prahalad 2005), which has been the subject of debate in these contexts.

1.17.2. Intermediaries in Impoverished Contexts

Impoverished contexts are characterized as having barely enough resources for daily life (Viswanathan and Rosa 2007). In these contexts, intermediaries, including retailers in market stalls and other distributors, make up a significant part of total employment, where the world’s poor often operate small-scale businesses with less than five employees (Banerjee and Duflo 2007). These numerous small-scale businesses are predominately focused on serving their local community, often are characterized by family-run businesses, and are active in traditional, or “older, more primitive, bazaar-peasant quality” systems, as opposed to systems characterized by the “modern, firm centered, and based on the market economy” (Robles and El-Ansary 1988, p. 202). In this way, the local, small-scale, and traditional aspects of intermediaries in impoverished contexts is seen as separate from the global, aggregate, and modern.

Entrepreneurs in these impoverished contexts, including intermediaries, are thought to be “characterized by significant inefficiencies, inconsistent and poor quality, and low productivity” (Sutter et al. 2017 p. 4), while controlling information (Kistruck et al. 2013), charging exploitatively high prices (Kolk 2014), engaging in intimidation (Prahalad and Hammond 2002; Vachani and Smith 2008), and appropriating unfair amounts of the profit (Prahalad 2005). In general, intermediaries in impoverished contexts are often viewed as exploiters who “enjoy usury and monopsony benefits” (see Endo 2014, p. 547), actors who extort and control suppliers and customers (Ansari, Munir, and Gregg 2012; Kistruck et al. 2013). However, Endo (2014) argues that the negative portrayal of small-scale intermediaries in impoverished contexts may constitute what he has termed the ‘middleman myth.’

Indeed, the limited empirical work that has addressed the role of intermediaries in impoverished contexts presents a different story. Therein, impoverished contexts have been characterized as ‘community-level exchange systems’ comprised of social and economic linkages forged over generations (see Viswanathan et al. 2014). These linkages are based on feelings of belongingness and lineage, borne from repeat patronage over time within their traditional system (Gupta and Srivastav 2016).
Relationships can provide access to resources and well-being, defined as the access to and command of resources (Haughton and Khandker 2009). They also act as a buffer in times of need (Viswanathan et al. 2014), facilitating borrowing from and lending to each other (Banerjee and Duflo 2007; Viswanathan, Rosa, and Ruth 2010). Further, traditional providers may both preserve and serve local habits and needs (Witkowski 2005) while helping to maintain local culture (Polsa and Fan 2011).

Nonetheless, there has been a call to replace the local and traditional with the supralocal and modern. Scholars have surmised that replacement of small-scale intermediaries with larger aggregates could increase an involved multinational’s financial success (Hart and London 2005) and market efficiency (Goldman 1974; Kazgan 1988; Prahalad 2005) while also improving the lives of those in impoverished contexts (Kolk 2014) and reducing costs (Subrahmanyan and Gomez-Arias 2008). In contrast, one study of traditional markets found that large scale grocery chains found that these ‘modern’ alternatives could not match traditional markets in terms of freshness, price, and flexibility (Endo 2014). Another study concluded that the division of labour between traditional intermediaries reduced transactions costs, curbed exploitative behavior, and contributed to effective information sharing (Hayami and Kawagoe 2001). Studies have also raised concerns that disintermediation could be harmful to communities (Vachani and Smith 2008; Varman, Skålén, and Belk 2012). For example, replaced intermediaries could lose their income or their businesses, a problematic event in contexts where small-scale enterprises are the main employment providers (Polsa and Fan 2011). Also, impoverished customers often lack the transportation and storage space necessary to purchase in the larger – and more expensive – quantities commonly sold at “modern”, aggregate providers (see Goldman, Ramaswami, and Krider 2002). Endo (2014) noted that there is, in fact, limited empirical work supporting the need for their removal.

Such differences of opinion about the role of intermediaries likely arise from a discourse that is underpinned by assumptions of modernization theory, this in combination with a lack of empirical work considering the role of intermediaries from a systems perspective. There are emerging notions that changes to a marketing system, such as disintermediation, could negatively impact the resilience of that system (Layton and Duan 2015). Further, marketing systems in impoverished contexts are vulnerable to a wide range of disturbances, with increasing attention focused on understanding how individuals and communities in these contexts recover from such disturbances – i.e. their
resilience (see Béné et al. 2014). Therefore, turning our attention to the role of small-scale intermediaries in relation to resilience can further our understanding of the implications of disintermediation within impoverished contexts.

1.17.3. Resilience

Resilience, rooted in the ecology and psychology literature, is a concept that has been adopted across a variety of disciplines, including engineering, development, and, increasingly, business and marketing. As the world becomes increasingly interconnected, disturbances impact systems around the globe. This connected global landscape has amplified the need to understand the role and functions of organizations in the face of disturbances (van der Vegt et al. 2015). Drawing on the development literature, disturbances refer to situations that threaten the functioning of communities, organizations, and individuals (Norris et al. 2008). In other words, disturbances include disasters, uncertainties, or deviations that challenge organizations (Bhamra, Dani, and Burnard 2011 2011) and systems (Béné et al. 2014). They can be mild or severe in nature (Sutcliffe and Vogus 2003), predictable or not (Christopher and Peck 2004), internal or external in origin (Bhamra, Dani, and Burnard 2011 2011), and impact multiple levels, from individuals to the wider society (Allenby and Fink 2005) in an interconnected way (Béné at al. 2014). Beyond Christopher and Peck’s (2004) classification of supply chain risks as internal (processes and controls risk), external to the firm (demand and supply risks), or external to the network (environmental), the existing literature currently lacks a typology of specific types of disturbances that can impact a marketing system.

Regarding resilience, disturbances may lead to an action, or a resilient response, which would, in turn, lead to a positive adjustment (Sutcliffe and Vogus 2003). Organizations, for example, are theorized to utilize slack capabilities in the face of an external threat (Sutcliffe and Vogus 2003). On a systems level, resilience is postulated to require concerted efforts from community members (van der Vegt et al. 2015) who engage in coordinated responses (Norris et al. 2008). But what constitutes a resilient – and coordinated – response and how it can be activated remains to be further investigated (Linnenluecke 2017).
In addition to understanding responses in order to better understand resilience, the factors that maintain normality in the face of disturbances need to be identified (Strauch, Muller, and Almedom 2008). A potentially important factor is the presence of resources (Vogus and Sutcliffe 2007), which can be useful during disruptions (Sheffi and Rice 2005; Tan and Peng 2003; Meyer 1982). Such resources can be highly discretionary such as cash, inventory, and low-skilled labour, or less discretionary such as skilled labour and dedicated machines with less discretionary resources thought to be limited in their ability to be useful in all but a few specific disturbances (Sharfman et al. 1988). Further, relational resources are thought to be important to resilience (Sutcliffe and Vogus 2003) as they may determine what other resources are available and accessible in the face of disturbances (van der Vegt et al. 2015). However, ongoing communication within relationships is thought to be needed to achieve resilience (see Norris et al. 2008).

Additionally, certain structures, conceptualized sometimes as structural resources, are also thought to be an important contributor to resilience (Vogus and Sutcliffe 2007). For example, having a flexible structure in a supply chain is thought to contribute to resilience, with flexibility involving sourcing from multiple suppliers and having transportation alternatives available (Pereira and Silva 2015), both situations which require close coordination between suppliers and intermediaries (Fung, Chen, and Yip 2007). Although resources are thought to be important, business lacks an understanding of how these resources are retained and deployed in relation to resilience (Vogus and Sutcliffe 2007).

Intermediaries are theorized to engage in activities such as coordinating information flows, monitoring their system, holding financial assets and inventory (Spulber 1996), and managing relationships (Fung, Chen and Yip 2007). By doing so, it is possible intermediaries may contribute to resilience in their marketing system. Small-scale intermediaries may also engage in work that contributes to their system’s recovery from disturbances by, for example, providing resources that support resilient responses and engaging in resilient responses themselves. This research seeks to empirically understanding the role of local intermediaries in resilience, and thus inform the still reigning disintegrative prescription within the modernization agenda.
1.18. Methods

1.18.1. Research Context

The study takes place in the city of Mandalay in the Republic of the Union of Myanmar (also known as Myanmar or Burma). Until recently, Myanmar has been largely isolated from the rest of the world. Theoretically, Myanmar is an ideal context for this study given that it provides access to local intermediaries in an *in situ* system in an impoverished context, prior to transformations attempts from the outside. The country was under military rule until 2011, after which it has undertaken a transition towards a democratic government (UNDP 2013). During military rule, citizens were subjected to forced labour, land grabs, and compulsory military service, including the use of child soldiers (US Commercial Service 2014). In addition, the government provides one of the lowest levels of social safety net contributions in the world, a level covering less than 0.1 percent of the population (World Bank 2017c). Given this political and economic situation, the Myanmar people have been required to be self-reliant within their own communities (World Bank 2015b). The people of Myanmar experience widespread poverty, with 25 to 38 percent of the country living in absolute poverty (World Bank 2015). While the Burmese economy has annually grown an average of seven percent in gross domestic product (GDP) between 2012 and 2016 (ADP 2017), Myanmar continues to struggle with rampant poverty (World Bank 2015a).

The country contends with both widespread health challenges including malaria, dengue fever, Zika virus, typhoid fever, and cholera (CDC 2017), and a number of ecological hazards, such as drought, floods, cyclones, and earthquakes (World Bank 2015a). Agriculture in Mandalay suffers the most serious losses in the country, this due to ecological disturbances, primarily drought, which costs its farmers 12 percent of their output annually (UNDP 2013). Overall, Myanmar, which is already feeling the impact of climate change, is “among the world’s countries most vulnerable to natural disasters,” (World Bank 2015b, p. 29).

Mandalay, the second-largest city in the country, has a population of approximately 1.2 million, making it the most densely populated city after the city Yangon (Department of Population 2014). Mandalay is home to many plantations in its suburbs, as it boasts a favourable climate conducive to growing vegetables (UNDP 2013). It is
considered the cultural center of Buddhism in Myanmar and also one of the most important industrial and distribution hubs in the country. Mandalay, as in Myanmar in general, is characterized by a lack of consumer retail chain stores and foreign brands and, consequently, still hosts a number of traditional markets (Hartley and Walker 2013). In 2015, Myanmar sold less than 10 percent of its fast-moving consumer goods through ‘modern’ retailing outlets (Redaction Asia 2015). Supermarkets in Mandalay are few in number, with only three existing in 2015: two Ocean Supercenters and one City Mart Supermarket, all owned by the same Burmese company. Since 2011, multinational companies such as Coca Cola, Unilever, and Heineken, have entered Myanmar, a nation being hailed as one of the last major frontier countries in Asia (PwC 2014).

Despite this increase in foreign investment, small-scale businesses remain an important part of the economy (Mahtani 2014), and most work takes place in the informal sector (World Bank 2015a). These small-scale entrepreneurs face widespread infrastructure and financing challenges (Mahtani 2014); only half of these small organizations have formal bank accounts (World Bank 2015b). The country is also considered to have fragmented and unreliable distribution networks (Export.Gov 2017c) and underdeveloped domestic markets (World Bank 2015a). Small-scale businesses in Myanmar are criticized for offering low levels of customer service, lacking professionalism, and having poor supply-chain management (US Commercial Service 2014).

This study focuses on a marketing system in Mandalay. Marketing systems are a network of individuals, groups and/or entities that provide products, services, ideas, and experiences through exchange linkages within a social matrix (Layton 2009; Layton 2011) which emerges from collective action (Layton 2015). The social network studied in this paper is a traditional vegetable supply chain, which the Myanmar people refer to as ‘green groceries.’ This system was chosen for three reasons. First, this system is the largest economic sector in Myanmar: It accounts for an estimated 38 percent of the country’s GDP were approximately 50 to 70 percent of the people in Myanmar are engaged in agriculture (UNDP 2013). Further, this system is the focus of major modernization endeavors of the government and nongovernmental organizations alike, with the sector being criticized for its low productivity and profits (World Bank 2014). As such, this system provides an opportunity to understand an economically crucial in situ system prior to transformation, which fits the research question. Second, the majority of
small-scale organizations are involved with the agricultural sector (UNDP 2013), which not only facilitates access, an important practical consideration, but also fits the research question aimed at understanding small-scale intermediaries. Third, Myanmar has been the focus of limited study, therefore it posed an opportunity to further insights into this understudied context.

This system is, more specifically, a vertical meso-level system (one neither micro nor macro, but in-between) that is linked through exchanges between individuals in the setting of the city of Mandalay. The studied system consists of the following groups: seed producers; the intermediaries who buy, package, transport, and sell seeds; the farmers who grow vegetables; the intermediaries who buy, package, transport, and sell these vegetables; and their respective customers, including end consumers, hotels, and restaurants (see Figure 5 below). These intermediaries are the focus of the study.

Figure 5: Studied System of the Green Grocery Supply Chain

1.18.2. Data Collection

An inductive approach was used to investigate the role of small-scale intermediaries in their system. A qualitative approach was selected in order to “shed light on people’s real lived experience” (van den Hoonaaard 2012, p. 30), which is largely missing in research on impoverished contexts in business (Kolk, Rivera-Santos, and Rufín 2013), especially in regards to the understudied focus of intermediaries in these contexts. This oversight might be due to the hierarchy of credibility issues, wherein academia tends to prioritize data collection from perceived experts from superordinate groups, rather than from those in marginalized groups (Becker 1967, as cited in van den Hoonaaard 2012), such as individuals in impoverished contexts. A qualitative approach allows for the gaining of insights and contributes towards theory building regarding the focal research question.

I collected both observational and interview-based data in January 2015. Observations of the intermediaries were also undertaken both on the days interviews
were conducted and the days they were not, generating twenty five pages of field notes. Due to the political climate within the country at the time and to protect the identity of the intermediaries, few photos and no videos were taken. Subsequent observations were also conducted by Dr. June Francis, the senior supervisor of this dissertation, who, six months after the original interviewing took place, visited the research sites with the same research assistant. The findings of Dr. Francis contributed to and confirmed certain aspects of the study, including elements of pooling and meshing.

With the help of a local research assistant acting as an interpreter, semi-structured interviews with 30 intermediaries in Mandalay in 2015. Those 30 intermediaries are involved in sourcing, buying, packaging, transporting, and selling products within the vegetable supply chain, one including seeds and fresh vegetables (see Table 4 for an overview of these participants, including their role, who they purchased from, and to whom they sold). Participants ranged in age from 21 to 66 years old, with an average age of 40 years old, and had been working for an average of 13 years. Seventeen of the thirty (57%) were female. We met our interviewees at their places of business during operating hours.

Ensuring early familiarity with the research context is an important part of increasing credibility in qualitative research (Shenton 2004). To this end, I familiarized myself with Myanmar prior to the interviews. I did this through a preliminary visit to Mandalay and some of its traditional markets in mid-2014. Further, while reliable documentation on Myanmar was generally relatively sparse in 2015 (and remains so), I sought out and read available documents prior to my fieldwork, including development reports, government releases, news coverage, travel guides, and books focused on the country.
Table 4: Data Collection: Intermediaries’ Role and Direct Supply Chain Members

<table>
<thead>
<tr>
<th>Participant</th>
<th>Suppliers</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Seed intermediary</td>
<td>Farmer</td>
</tr>
<tr>
<td>#1 (green grocery intermediary) - male</td>
<td>X</td>
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<tr>
<td>#2 (green grocery intermediary) - female</td>
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<td>#10 (green grocery intermediary) - female</td>
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<td>#11 (green grocery intermediary and farmer) - male</td>
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<td>#12 (green grocery intermediary) - male</td>
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<td>#14 (green grocery intermediary and farmer) - female</td>
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<td>#15 (green grocery farmer and retired intermediary) - male</td>
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<td>#16 (green grocery intermediary and farmer) - female</td>
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<td>#27 (seed intermediary and farmer) - male</td>
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<td>#28 (green grocery intermediary) - female</td>
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<td>#30 (green grocery intermediary) - male</td>
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</table>

Interviews were secured in three ways. First, I leveraged the existing networks both of the research assistant and of other contacts affiliated with the United Nations Development Programme. Second, the study used a snowball approach, where intermediaries interviewed often introduced us to other participants from their social
network. Third, in limited cases, we approached intermediaries without prior introductions. Our interviews were conducted at three locations: Yadanarbon (or Diamond) market (19 interviews), Zegyo market (4 interviews), and the suburbs of Mandalay, which some referred to as the ‘Mandalay villages’ where some traditional shops and agricultural plantations are located (7 interviews). Vegetable plantations in Myanmar are small, averaging approximately 0.6 acres in size (USAID 2013). The plantations are approximately a 20 minute drive from the markets in the city center.

Interviews took place while standing or helping in plantation fields, sitting on small plastic stools inside brick and mortar shops, sitting on the ground, or standing in small open-air shops. The decision to interview in different locations within the supply chain was made for the following reasons. I wanted to interview a wide diversity of intermediaries including those who played different roles depending on the time of day. For example, some participants owned or worked on plantations in Mandalay as well as engaging in intermediary work. Further, we sometimes had to move locations to secure additional participants. Additionally, seed intermediaries were located in a different market from the market (Yadanarbon market) that we gained access to early on in the interviewing process. Finally, this approach allowed me to deepen my understanding of small-scale intermediaries and their system through observing and interviewing at the different locations.

A semi-structured interview approach allowed for a consistent approach across interviews while allowing room for the interviewer to ask clarifying questions and to follow up on interesting aspects. The semi-structured interview guide was initially drafted in English, then translated into the Burmese language by the research assistant, which was checked by two other Burmese professionals affiliated with the United Nations Development Programme. During the interviews participants were asked about their marketing activities and decisions, including their products and services, their processes and procedures, and their relationships with customers, suppliers, competitors, and with neighbouring businesses (see Appendix A for an overview of the interview questions). For example, a question asked: “Are there other people or businesses who sell similar products/services to you?” Interviews ran for an average of 48 minutes.

The interview questions, with one exception, were asked in English and then were translated into Burmese by the research assistant, who then relayed the Burmese
answer into English (in one case, the interview was conducted in a Mandarin dialect). When required to ensure understanding, clarifying questions were asked between this triad of participant, interpreter and researcher. On some occasions, the interpreter stopped interpreting verbatim to explain a specific cultural element that did not have a direct translation or that needed further explanation. Five interviews were conducted solely by the Burmese research assistant without me being present to see if answers differed without an outsider present; no discernable difference was found.

Interviews were audio recorded and later transcribed. To ensure that the transcriptions reflected what was said by the participant, all interviews were first transcribed in the participant's original language (Burmese, with the one exception of the Mandarin dialect), then translated into English. The participants showed a great homogeneity in answers, likely due to their shared life experiences working as small-scale intermediaries in a largely multi-generational traditional vegetable supply chain. The number of interviews was appropriate given that as no new information emerged in the last few interviews, thus indicating saturation.

1.18.3. Data Analysis

I employed an inductive approach to data analysis (Charmaz 2014), with findings read by an expert in development and Myanmar, particularly Mandalay, who confirmed that they were consistent with her experience and understanding of the context. The transcripts were coded in an iterative process of constant comparison supported by qualitative data analysis software (Charmaz 2014; Locke 2011). During this iterative process, I created memos during the analysis process. For example, during the line by line coding of each transcript, I recorded questions I had about the data, as well as thoughts about potential connections between codes. This supported my goal to be reflexive, allowed for the connection and collection of emerging ideas, and was useful in gaining further insights.

I started with a process of open coding with an aim of understanding the role of small-scale intermediaries in their system. I first engaged in line by line coding of all transcripts. Preliminary codes included "dealing with product rarity," "adjusting to the seasons," "importance of reliability," and "connecting with other locations." I identified the relationships that intermediaries had with others such as, for example, competing
neighbours, customers, producers, family members, and monasteries within the codes of “building relationships,” “dealing with diverse suppliers,” “having similar competitors.”

As this preliminary coding unfolded, I became drawn to the work that small-scale intermediaries engage in that related to resilience given the importance of resilience. This focus arose, in part, from the open coding of “linking to past” and “importance of family” that highlighted an enduring and generational aspect to the system – or a resilient system. I turned to the existing literature on resilience, wherein I engaged in coding and ultimately identified contributing factors of resilience, such as “redundancy of resources,” as well as disturbances impacting a system. During this process, in light of the importance of resources highlighted in the extant literature, I returned to the interview data and identified resources that the small-scale intermediaries described within their system, including goods, money, labour, and relational resources.

The preliminary codes of the interviews were then organized into interim categories through a process of constant comparison (Corbin and Strauss 2008). In particular, through grouping and comparing the identified intermediary work with the aspects of resilience, I identified three key categories of work that the small-scale intermediaries engaged in that contributed to resilience in their system. For example, meshing arose from the open codes such as “connecting to other locations”, “importance of reliability”, and “giving extras”; pooling is reflected in the open codes such as “enacting repetition in day-to-day life” and “differing roles throughout the day”; while mobilizing arose from open codes such as “dealing with scarcity”, “sharing on the market”, and “delaying and ensuring payments”. Moving from data to theory and back again, I also identified four types of disturbances, arising from the previously coded element such as “dealing with outside forces”, “facing health considerations”, “facing uncertainty”, and “dealing with seasonality”. The following section describes how the studied system is resilient in response to the four distinct disturbances this system faces and then turns to describing the identified resilience work of the intermediaries.
1.19. Findings: Small-scale Intermediary Work Leading to Resilience

1.19.1. A Resilient System

These findings are structured around the work of small-scale intermediaries in a resilient local *in situ* system. A resilient system faces disturbances (Masten and Reed 2002) while maintaining both its functions and structure (Allenby and Fink 2005). In other words, for a system to be considered resilient, it has had to both face and to survive its disturbances (Masten and Reed 2002). This focal system has so far survived its disturbances while continuing to function in its present way for many years.

Intermediaries discussed the ongoing nature of their system: “It has been working... I guess already about 15 to 20 years.” The system spans generations, “about 15 years” or “over 20 years,” where “When I first came to the market, I was so young”. This longevity is often linked to family: “it has been quite a long time... When I was young, I came along with my mom to the market” and where “My family sells these green groceries since I was young.” Family involvement often starts “very” young, “since I was born” in the words of one intermediary. For example, I observed small children, in between playing with the family dog, helping to make bundles of products to sell at the nearby monastery. Often, these children grow up to take over the family business: “Before this, I attended school. Since I was attending school, I came along with my mom to the market and help her selling.” In this way, the system becomes multi-generational and continues over “quite a long time.”

Indeed, family members are often an inherent part of their businesses and/or their supply chains: “I work together with my grandmother and aunt,” while another says, “my mom brings fruits from Pyin Oo Lwin to here, Mandalay... [My brothers] help me putting green groceries to send to restaurants, selling these products, and delivering these to restaurants.” Family members can also become competitors: “My youngest sister open like this kind of shop under the Diamond Plaza [nearby]. She is selling separately there. But she only sells there in the morning. She come and help us in the evening.” As such, the system has continued its operations in its present form for generations, maintaining its structure and functions over time.
1.19.2. Disturbances

The system has maintained itself in the face of a multitude of disturbances. The system has faced four different types of disturbances: ecological, social, political, and economic.

Ecological disturbances present significant challenges to the system, including natural disasters, seasonal changes, and inclement weather: “In this winter, products are a bit rare, just because of the bad weather. There is also not enough water in plantations,” while “in rainy season, crops [are] destroyed because of the rain.” This changing weather impacts crops, and thus supply, when “most of the plants suffered a lot of diseases because of the weather.” In addition to localized storms, they are also impacted by weather further afield, such as the devastating Cyclone Nargis in 2008 which resulted in over 138,000 fatalities in Myanmar, as well as by regional weather issues:

“Last year, there was a storm in Philippines. That storm entered through China, up to Hai Nan Island. So, when the Chinese New Year is drawing nearer, there is no product from both China and Philippines. That’s why, they buy products from place they can buy [like Myanmar]... But this year, Philippines also could produce products... that’s why the market demand for Myanmar farmers have dropped down compared to last year. Farmers can’t predict the situation.”

Other disturbances come from their social world. The system faces widespread health issues when members do “not feel well,” facing issues such as a dengue fever outbreak. Relatedly, the system faces disturbances inherent in taking care of others, such as an intermediary who took time off to take “care of my grandchildren.” Other life cycle events impact their days: “I don’t [take a break in the year]... But I took a rest when I have to go to weddings, funerals, or donation ceremony.” Further, they face disturbances in the lives of those around them: “If my [competing neighbour] has some problem concerning their wife or husband, we have to do as a mediator in solve out their problem.... And let him stay in my home for some time.” As such, the system faces disturbances borne from their social life, such as health issues and life cycle events such as births, weddings, religious ceremonies, and deaths.

The system also faces political disturbances, including interference and instability: “Customs does not let the products go into Myanmar from Chinese border
sometimes. At those times… we usually faced with the shortage of seeds.” Not only are product flows stopped, market places are destroyed or relocated:

“There was a problem in this market. It is about moving this market to the other place. At the time, we went to the… municipal office and do the demonstration for not moving this market. This was in 2013. Because of that demonstration, I was in prison for 3 months.”

As such, political disturbances that originate from governing entities, such as interference and instability, impact the system.

The system also faces economic disturbances. Dealing with scarcity of products is a commonplace occurrence in this system. In the words of one intermediary: “Yes, I have problems. Today, I couldn’t find any Cha Lan lettuce with yellow flowers on top” and “sometimes, I can’t buy seeds. Seeds from China are sometimes out of stock.” They also face irregularities in their selling patterns where “selling each day is not the same. Sometimes, I can sell more, but sometimes, there are also times I can’t sell more.” The disturbances go beyond the local where, “all the selling price depends on foreign currency, we calculate [our] price on that rate. Then, we sell with that price.” As such, the system faces economic disturbances in relation to fluctuating economic patterns and the involved financial assets and goods.

These four disturbances impact the system and are related the resilience work undertaken by the intermediaries in the system.

1.19.3. Resilience Work

This study found that intermediaries contribute to the resilience of their system through purposeful efforts to maintain the system’s functions and structure, activities that might be considered “resilience work.” Work is a lens used in the field of Organizational Theory, where the term involves “actors engaged in a purposeful effort… to manipulate some aspect of their social context” (Phillips and Lawrence 2012, p. 224). This lens is useful from a marketing perspective and appropriate for this situation, given the clear definition it provides and that the decisions the intermediaries make and actions they do constitute purposeful efforts. In the case of the identified resilience work, those actors are manipulating their social context to maintain their system’s functions and structure.
I found that the small-scale intermediaries engage in three forms of resilience work: meshing, pooling, and mobilizing. *Meshing* is the creating and maintaining of longstanding relationships over time, while *pooling* is the building up of resources at a communal level. Both of these forms of work are antecedents of the resilient response of *mobilizing*. Intermediaries mobilize, or deploy the communal resources they have created and built up, in the face of disturbances ultimately maintaining the functions and structure of the system. The intermediaries’ resilience work is discussed below, with additional supporting data related to the three forms of work provided in Appendix B.

**Meshing**

The first aspect of the intermediaries’ work that contributes to resilience is meshing. Meshing is defined as creating and maintaining relationships. Through meshing, intermediaries create a web of mutually reinforcing relations, both within and outside their focal supply chain, with customers, suppliers, competitors, alternative inter-system suppliers and customers, and religious groups.

Throughout their days at these locations, intermediaries interact daily with their “regular customers,” who often “come and buy from [them] every day.” Intermediaries treat customers “like [their] siblings”. These exclusive and ongoing relationships are created and maintained through intermediaries seeking to always satisfy their customers along the three elements of quality, availability, and price.

Intermediaries create and maintain relationships with their customers through sorting and grading products to ensure they provide quality products. I observed intermediaries sorting through and grading the products suppliers brought. In other words, they would carefully select those products that meet their standards and reject those that did not. Intermediaries feel that they “need to sell the good quality products with reasonable prices”: where “only if I provide the quality products, I could build trust with [their customers],” and where customers “stop buying if I sell bad quality ones.”

They also seek out and patronize suppliers that deliver quality products: “If I think this or that supplier takes good care of providing the fresh products, I usually buy from him.” In this way, intermediaries, who often buy from other intermediaries, selectively choose their suppliers: “I prioritize buying from my suppliers because they choose good products for me.” Within these relationships, the intermediaries communicate with their
supplier regarding quality and will return products if they failed to live up to their standards:

“I order some products from them and they send me the products which are not having good quality. At that time, I get angry and call to them and tell them that ‘I will send these bad quality products back to you.’”

They also stop buying relationships for these reasons, where if they “can’t get quality products, [they] don’t buy”:

“But sometimes, if [my suppliers] send me the poor quality products, I can’t sell much of my products… When the problems occur like that, I just stop buying from there for a while up until I feel comfortable dealing with them [again].”

As such, they will “switch [their] buying” to other suppliers if quality levels are not maintained. An intermediary, who also grows his own plantation, discussed the importance of ensuring that “special care” is taken to ensure quality, such as avoid them getting “eaten by insects.” Delivering “quality products” is so important to their relationships, that if they cannot secure good products from their regular suppliers, intermediaries will also refer their customers to trusted competitors: “If I don’t have the quality products, I referred [the customers] to others.”

The intermediaries also create and maintain their relationships with customers through ensuring products are available. They do this through holding inventory and seeking appropriate and alternative supply sources. Intermediaries “always try to get the products whatever [the customers] order” through holding products: “I usually put aside the products my regular customers like to get.” They also seek out reliable supply channels to ensure availability and thus maintain relationships with customers: when it is “not okay [to] fail to provide that products to my customer.” Making products available is a core part of maintaining relationships where customers, where “whenever it concerns with my business, I promise them to keep providing products all the year round while keeping good relationships with them.”

“Even if I didn’t bring the products they want to get, I tried to buy those from others [to give to my customers] with the same price they get from me,” where, “whenever they want to buy things, I always go and buy for them.”
This takes the form of physically going elsewhere to find products: I observed intermediaries walk to other parts of the market to source demanded product or to their held inventory stores, such as “at [their] home.” In other words, they maintain relationships through searching out needed products and thus ensuring availability: “I can find any of the products customers want… for me, I am always helping them finding the products.” For example, an intermediary hired an employee who waits on standby and sources products from other parts of the market to ensure her customers get the products they need.

They also maintain relationships with their customers by paying “special attention to pricing”: They ensure low prices by communicating about “good pricing” with their suppliers: “When I meet with suppliers… I always told them not to charge us more than others,” where “sometimes, if I couldn't get the good pricing, I just complained to them to provide me the [better] prices.” They carefully seek out and select their suppliers:

“It is very good buying from them. I buy from Zegyo market. I also get with the cheapest price, only if I get with the cheapest price, I can sell it with the reasonable price… I choose to buy from places where there is a cheapest price.”

Intermediaries discuss how they visit other markets and plantations to secure the best priced products for their customers. For example, they select certain plantation owners if they “can reduce prices for me.” This effort also requires them monitor, and communicate about, the market situation to ensure that they buy at the lowest possible price, where they “change according to the updated prices.” For example, they talk to their competitors “about pricing… If the lettuce prices are decreased, we remind each other about the… prices. And we also ask about the prices that we bought.” To maintain relationships, they also set prices lower for regular customers. They “reduce [the price] a bit” to reward exclusivity in the buying relationships: “If they are going to buy regularly from me, they can get [it for] 30 kyats for one, the same as the village price.” While intermediaries cultivate exclusive relationships with their customers, this relationship does not negate the competitive environment they are part of. They can lose customers to their competitors, which is a very real threat:

“Because I am afraid my customers will go to others if they don't get the products they want from me. That's why, for my regular customers, I just sell with 70 kyats.”
Many intermediaries believed that their competitive advantage was setting their prices lower than others: “Most of the people come and buy from me because they said that they get the most cheapest price from me.”

In addition to the number of activities they do to provide their customers with quality and well-priced products, the intermediaries also maintain these customer relationships through storing, repackaging, and transporting purchased products for customers at no charge, in what they refer to as “giv[ing] extras.” They do this even for products that are not their own: “[The customers] bought products from others and put those in my shop for a while if they cannot carry all of them.” They also provide tailored product advice: “The relationship that I built up on my customers is like a family style. I am always ready to give them suggestions,” where another provides advice to customers on “how to cook those, the recipes.” These relationships with their customers are maintained daily: “Since I run this business, to be exact, they have been buying from me since 20 years ago.”

Intermediaries create and maintain relationships with their suppliers, many of whom are themselves also intermediaries. They do this through communicating with and interacting often with their suppliers towards creating exclusive relationships, who they are “very comfortable working with.” They “never change suppliers,” where they “always buy from the same shop,” providing that they uphold their part of the agreement, buying and selling of quality products on a continual basis, to keep the relationship going: “Our deal is that, I… keep buying from them and they have to keep providing [to] me.” This exclusivity is often rewarded with lower prices from their intermediating suppliers: “They give me a very cheap price…they can reduce a bit for me… That’s why, I started working with them.” The intermediaries purchase from their suppliers often, when they “usually see them, almost every day” and build up “mutual trust.” These relationships can become close over time, where “all the suppliers are somehow like my family as I have been selling in the market for quite a long time… As my aunt has been taking from her for quite a long time… it has been so many years we are dealing with them.” As such, these relationships often extend over “years,” where suppliers “sell only to me. They don’t sell to others.”

Intermediaries also seek out and forge new trade links with alternative suppliers and customers. Contrary to prior research that argues that impoverished communities
are characterized by a lack of bridging social capital relationships between groups (Ansari, Munir, and Gregg 2012), these intermediaries have cultivated relationships with those far away: “Sometimes I buy… and even sell back to Muse, which is in Shan state and the China border. It is very far from here.” This requires effort, where they often have to “go to other cities outside of Mandalay” or visit the “car gates” in Mandalay, the transportation hub that links to other cities through delivery trucks. Intermediaries spoke of connecting with suppliers and customers from “distant areas,” including those in other cities such as Pyin Oo Lwin, which is a few hours away along a mountainous road, and those from Kachin state, which is ten hours away by car. These trade links sometimes required them to physically go even as far away as the Chinese border:

“I order directly [seeds] from the border of China… When I go [to the border], my friends order the seeds they want with me…but also to resell… buy the products and sell again in the village.”

In addition to customers and suppliers, the intermediaries create and maintain relationships with their competitors through providing information and interacting, such as providing a helping hand, with them frequently. For example, intermediaries who transport their products from other areas, such as Pyin Oo Lwin, often travel together:

“Three or four people use one bus in carrying goods. There are altogether five to six buses coming down… to this market… If we are friends, we talk like friends. But we mostly talk about green groceries.”

While they “don’t have time to talk” when they are busy, they do communicate about “what kinds of products do each other bring,” and sell. They also purposefully “help” their competitors. For example, “if we need truck car… we can ask help from each other… We always help each other.” In the words of one intermediary: “I have a good relationship with [my competitors].” They see their competitors “very often,” where they are “familiar with all the people from the market.” One intermediary discusses his neighbouring competitors: “We are familiar like real siblings. There is no jealous[y] between us.”

Beyond creating and maintaining these types of relationships, intermediaries also create and maintain relationships with religious groups through donating. I observed intermediaries purposefully nurturing these relationships by donating small sums of money and food to passing monks and nuns. They stop their selling to their customers to prepare or source a food donation, or to gather funds to donate: “I have a good
relationship with the monastery. Whenever the monk wants to eat something, I always
donate, like Shan noodle in the morning.” Further, “if customers come and buy from us to
donate to the monks, then we put so many extra products.” Monasteries sometimes offer
access to areas around the monastery for intermediaries to put their market stalls. This
proximity brings intermediaries into daily contact with monks and nuns. Consequently,
the lives of the intermediaries are intertwined with the Buddhist monasteries that
surround them, where they donate “almost every day.”

Such donations are seen as part of contributing to the wider “social welfare,”
where “when I couldn’t sell all the products out, I just go and donate all of those to
unprivileged people, and so to the temples.” For example,

“all the sellers from this market donate for [the orphanage]. They come and
ask for donation in this market using a car. That time, if I couldn’t sell more
of Ko Chai (a kind of vegetable), then I just donate all of those to
orphanage… If we donate vegetables, they cook and treat the children.”

I observed intermediaries organizing, collecting, and walking their products to the
orphanage’s car. In addition to these donations, intermediaries go the monastery and
voluntarily donate larger personal items and wealth, such “my earrings to the Pagoda
from that monastery” or donating “money from the saving,” or arranging larger donation
ceremonies, including “treat[ing] free meals not only to the whole villages, but also the
nearby villagers.” The latter activity, the “big donation,” requires enormous outlays in cost
and energy: “As big donations cost a lot, we rarely donate like that once in a life. But we
always do small donations.” They also involve competitors in these larger donations: “if I
am going to do a big donation, I just told [my competitors] to help me in my donation.”

Overall, meshing allows for the creation of a distributed web of interrelations (see
Figure 6) comprising customers, suppliers, other intermediaries, and religious groups
both within and outside of Mandalay. Without this meshing work by intermediaries, this
web would not exist. Further, this work allows for the system to access resources from
outside of the system, such as monasteries and customers and suppliers beyond
Mandalay. This web is linked with their work of pooling.
The second form of work is pooling. The intermediaries engage in efforts to build up resources at a community level, an activity which I have called pooling. They pool three resources: money, labour, and goods. These resources are held across the distributed web of interrelations they created through meshing. In other words, these intermediaries pool these resources communally.

The intermediaries build up communal financial savings options and therefore hold financial assets in reserve at a community level. Almost every interviewed intermediary ran or belonged to a group saving initiative that they paid into “every night.” For example, “we, the vegetable sellers, set up a saving group. I save 10000 kyats a day in that saving group.” This communally-held money, held across a number of different intermediary-run savings groups, which can include more than “10 people who save money every day,” is paid out to savers on a rotating basis under normal circumstances, with one recipient being selected through schedule or lottery. This saved money is used for things like “doing donation and building a house” or “buy[ing] gold.” These groups are not set up or run by any outside organization; rather, they are organized and directed collectively by intermediaries at a grassroots level, with some groups stretching back over a decade. The majority of small-scale intermediaries interviewed belonged to one or more savings groups. While each intermediary on its own lacks a surplus of money, together they provide for a pool of communal money that the system's members can draw on.
In addition to this communal pool of money, intermediaries provide for a communal pool of labour that is readily accessible throughout the entire day.

Intermediaries build up labour resources through creating a business that is located in close proximity to their competitors. This decision to locate next to each other means that they are in the position to step seamlessly into another competitor’s business when needed, in order to maintain service to customers and continue the selling of suppliers’ products. Indeed, a typical traditional vegetable market in Mandalay consists of dozens of intermediaries who line a road with their shops. I observed that these shops are packed closely together with competing shops either touching or only having a narrow opening for customers to be able to move through to a deeper row of intermediaries. Stalls, demarked by constructed tables or tarps, often touched or overlapped with neighboring stalls, which, in turn, are lined by brick and mortar stores sharing walls, while market areas and plantations in the suburbs border each other. When asked where their competitors are, many intermediaries gestured to the people immediately around them. Intermediaries actively influence where they sell: “We had to take our own place. A person can take one spot. We took two spots, one for me and one for my mom.”

Further, they ensure that this pooled labour is readily accessible. The intermediaries have made purposeful efforts to run businesses that remain open throughout the entire day, often from before dawn until late into the night, with shopkeepers physically remaining throughout at their place of business. These intermediaries maintain “the same routine every day,” where they “work every day…[their] daily life cycle.” The lives of the intermediaries tend to follow the same patterns throughout the day as described by one shop owner, who has been running his business for 10 years:

“I run the same routine every day. I sell green grocries in the morning [starting at 5am]. Buses from Pyin Oo Lwin reached Mandalay around 1pm. When they have already put down all the products from buses, we can start buying from them…. I work [like this] up till 5 to 6 pm every day. After that I sell the green groceries here in this market. I close my shop at 8 pm.”

Being present daily at the same spot and near their competitors also has a benefit for customers, that of reliability. Customers know that, for example, Zegyo market is where both wholesale buying intermediaries and retail customers “can buy variety of products with cheaper price,” and the seed-selling Yadanarbon market is where “everyone knows that they can buy the seeds there.” Further, customers know where the intermediaries will
be during the day, which is related to their meshing work of creating and maintaining relationships.

This communal labour pool is supported through the decisions of intermediaries to engage in different roles, or "other jobs" throughout their supply chain in a flexible way. For example:

“I also sell wholesale. I also sell directly to the farmers for their plantation fields. I also sell these to the shops from other cities. Moreover, I also do my own plantation.”

Intermediaries decide to “sell both the retail and wholesale,” through “also sell[ing] to those who want to resell…[and] send[ing] green groceries to restaurants,” while also doing their “plantation… [and] buy[ing] from others and sell,” In this way, intermediaries are producers, suppliers to other intermediaries, customers, and direct competitors depending on the situation, and this can change over the day and over the years:

“I, myself, also do plantation. I was very busy working on plantation in the beginning. So, later on, I focus on selling products instead of doing plantation on my own. In the very beginning, I just give wholesale to the customers. But now, I buy the whole plantation field and sell those products.”

Others engage in transporting or selling products in certain parts of the day while tending to their own plantations at other times: “I not only do my own plantation, I also buy from others and sell.” Through cultivating the knowledge necessary to step into other roles in the system, they are able to step into tasks and roles in the system, thus contributing to the buildup of held labour.

Intermediaries also build up communal goods. They do this through determining and selecting their product mix in such a way where “almost the whole market is selling the same products.” One intermediary noted that “I think there will have more than 30 people selling the same products as me.” Through their selection of substitutable products, they created a communal safety stock of goods similar products. In other words, as they procure and sell the same – and substitutable – products, they have created a pool of aggregate goods at a community level. They can readily draw upon these goods given their close proximity to their competitors and, often, their suppliers, as these suppliers are themselves usually system intermediaries. In other words, they have access to a large pool of goods. As such, instead of holding reserve inventory within
their own enterprises, with its accompanying costs and the risk of spoilage of excess inventory, intermediaries hold such goods at a communal level.

Through the intermediaries’ pooling within their system, they have provided for a reserve of money, goods, and labour held across their community. Without pooling, these resources would not be accessible within the system (see Figure 7).

**Mobilizing**

A third form of work is that of mobilizing, defined as deploying resources in the face of disturbances. They mobilize their pooled money, goods, and labour (a result of pooling) that they have built up throughout their cultivated web of relations (a result of meshing).

Intermediaries mobilizing money in the face of disturbances. Intermediaries mobilize money through re-configuring monetary flows within the system. This can take the form of re-configuring normal payment obligations:

“For some [customers], they say they want to get this product but as they got the financial problem, they have no money to buy. In such situation, I give them the products without getting money. Because we know each other. I just told them to give me the money back only if they finished selling out. So, they delay payment.”

These “delays” can be short term or much longer: “Sometimes, if my customers are really in difficult condition, I have to wait one month to get my money back. So mostly is one or two days. One month condition is rare.” The decision to facilitate payment delays often requires an ongoing relationship. In other words, payment can be delayed by
“familiar” partners within the existing marketing system: “No problem. We just need to understand each other. We just do according to mutual understanding.” In other words, a relationship is needed: “As we are familiar with each other, I can pay money later on by letting [the intermediating supplier] wait for a while. It is okay.” The decision to delay payments comes at a risk as, in the face of a customer not being able to pay, an intermediary says: “I just give them like this. I told them to pay me if they come back to the market again. If they are not coming again, then, I lose my money.”

To realize these re-configured monetary, intermediaries use their own personal resources, such as “personal savings” to adjust, or they can facilitate the release of their communal financial reserves, by “borrowing from… the saving group.” Intermediaries also facilitate the delayed payment through their own suppliers, many of whom are themselves also intermediaries. “If I couldn’t pay all the money, I can give without [the money]. When I couldn’t sell more of my products, I didn’t give all the money I owe them.” The intermediaries also do this to deal with their own resource shortages: “Doing things like: postponing the payment of goods and try to solve the current problem with that money.” The deployment of these communal resources in the face of a disturbance can be a lifeline for system members, especially as these system members operate on thin margins, often having just enough money to make it through the day. Without this, customers may not be able to access and pay for needed food, and intermediaries and suppliers may be unable to buy needed production inputs.

Seed-selling intermediaries talked about the introduction of larger conglomerate “big branded companies” that increasingly sell seeds sourced from other countries: “If I want to keep running business with [the larger companies], I must keep my words and do according to the rules.” In this case, the intermediary relayed that delaying payment is not an option. This, in turn, curtails the ability of the intermediaries to mobilize money within this system, as they are not able to move money as they can within the traditional system: “It is very rare that we pay beyond the deadline [with these larger companies]. We always try to give money within the time they give.”

In the event of disturbances, intermediaries also mobilize goods. To do so, they reconfigure the movement of goods from the communal pool within the system. In the face of product scarcity threatening the availability of goods, intermediaries draw upon their relationships to mobilize the communal pool of goods, including from competitors
and suppliers. Indeed, they mobilize the communal goods with their competitors: “if I run out of products, I go and take from [my competitors]. And they also share with us.” This takes the form of borrowing, lending, buying, and selling: While the intermediaries usually “just work independently,” where if

“… I am running out of products, I go and buy from [the competitors]. The same case, if they run out of their products, they come and buy from me… When we take products from each other, we usually sell with the same price. If the product is 70 kyats, we sell each other at 70 kyats, we can’t sell with 80 kyats.”

As such, in times of product scarcity issues, they buy and resell needed products to their customers at no profit to themselves, where “that is cheaper for customers, because if customers themselves go and buy those, they will not get the same price as I buy.” Intermediaries also source from their competitors if there is an unexpected surge in demand:

“If all of their customers have already bought, [competitors] don’t come to me. But if their customers are coming and if they run out of products, they come and take from me.”

In this way, intermediaries manage their inventory on a communal level and mobilize the communally pooled goods. This sometimes takes the form of splitting products, or breaking up the quantities, between competitors, as they call it, “sharing.”

“We share [between our competitors] if the products are getting rare… In those days, we can only get 5 kg, instead of 10 kg. And we need to share that 5 kg of the products between each other… We try to get mutual agreement first before dividing something.”

In other words, intermediaries will split up arriving goods from suppliers to ensure that they and their competitors have access to at least some products. Mobilizing provides for the continued movement of goods for sale while minimizing disruption and preventing lost access to both products and income across the system.

Intermediaries also temporarily reconfigure suppliers to facilitate access to goods. They do this through identifying and sourcing from other suppliers in their web of relations: “Sometimes, if I can’t buy the products from Taunggyi and Aung Ban, I have to buy from other supplier.” Their deploying of resources in this way ensure that customers get their products:
“I also can’t get that Cha Lan from my plantation. So, it is not okay as I failed to provide that products to my customers… [I] rebuy those from this market and give to my customers.”

Disturbances are one of the few times that it is acceptable to break the exclusive buying relationships. When describing sourcing from an alternative supplier, an intermediary noted that he “tell[s] them about my buying things at outside. They also don’t [have any] concerns with my buying from others as they don’t have that product. But I must buy from if they could provide such kind of products.”

Mobilization of goods usually happens quickly, given the close proximity (due to co-location) to the communal goods and the web of strong interconnections with others. This responsiveness allows the system to react quickly to a disturbance. However, at times when the focal system is lacking needed products, drawing on faraway relationships is also possible: “If the rare products are not available at the Thriri Mandalar market [in Mandalay], then I go and buy at [the other city of] Pyin Oo Lwin.” However, this can require extra effort: “the best is if [competitors] can exchange products [between] Mandalay’s shop. If we do have to exchange products from other cities, it needs extra jobs.” Mobilizing of goods allows for intermediaries to continue to serve their customers, who benefit from continued product access with continued low search costs without delays. It also benefits suppliers who can continue to deliver and sell their products unimpeded.

Intermediaries also mobilize community-held labour reserves when facing disturbances. To do so, they re-draw the boundaries of their relationship with their competitors. Rather than remaining competitors, they temporarily become colleagues for the duration of the disturbance. Intermediaries routinely mobilize labour across the system to keep individual shops running:

“We are also help each other taking care of the shops when someone is away from their own shop… We are somehow like relatives… If I have somewhere to go, they sell my products instead of me.”

Indeed, intermediaries purposefully engage in “selling the products when [a competitor] is away from her shop,” such as if the competitors are facing social disturbances, such as ill health or wider obligations. If hit by disturbances, such as a run on sales for example, intermediaries provide labour, such as by helping to package up products or “putting down all the products from buses… taking out [a competitors] products.”
Mobilizing of labour is usually limited to those they have a relationship with and who are in close proximity: “We also help each other selling when we are away because of being neighbours.”

Additionally, intermediaries mobilize wider resources in the event of a disturbance. For example, when dealing with a political disturbance that shut down a market, the intermediaries reached out to the monastery. A monk then facilitated the opening of the market on a nearby street, allowing that market to remain in operation:

“As I am opening the shop in front of the monastery, I also donate to the monastery. Actually, this whole market is settled up just because of the monk from that monastery… When the old Chinese market is destroyed, this monk applied to the government to give the permission to open a market here in this place.”

This mobilization benefited both suppliers and their customers who could continue to buy and sell products as they had for generations.

In order to mobilize in a responsive way, intermediaries communicate, both about disturbances and how to solve them, with competitors, suppliers, and customers within their web of relationships. With suppliers, “We, the resellers, also inquire about the quantity of the products, whether they are actually rare or not.” With competitors: “We, the ones who are doing the same business as me, talk [about] many things, including the plantation issues, and all the things,” especially about disturbances related to pricing changes and product scarcity: “We just ask each other, on how much price they are selling per one. Just like that,” whether “the prices are risen or fallen” in response to disturbances. For example, intermediaries also communicate on ecological issues such as rain, pests, diseased plants, and seasonal changes. For example, one seed-selling intermediary discusses the “conditions [and] problems happening to their crops” with his customers.

Intermediaries thus deploy resources within their system, as well as from other systems. Without the intermediary’s work of mobilizing, these resources would not be deployed. Rather there would likely be a net loss of resources in the system due to such disturbances (see Figure 8).
Figure 8: Mobilizing

Through their work of meshing, pooling, and mobilizing, intermediaries contribute to the overall resilience of their system. Through the building up and deployment of their common resource pool within their uniquely created web of relationships, they contribute to the system’s continuity. In effect, intermediaries solve issues today based on investments in the past, which allows the system to continue into the future. Although other system members, such as suppliers and consumers, could potentially engage in meshing, pooling, and mobilizing to a limited degree, intermediaries hold an inimitable position within their system. They are the linchpins within their system who create and maintain a distributed web of interrelations. They maintain oversight while managing multiple contact points of ongoing communication across generational relationships with suppliers, customers, and other system members. Through this web, they create a pool of communal resources that they mobilize in the face of disturbances. Given these unique characteristics, this work would be very hard for other actors to replicate or replace.

1.20. Discussion

1.20.1. Resilience Work and Intermediation

The previously unacknowledged work of intermediaries in impoverished contexts challenges modernization theory regarding disintermediation, while also furthering our understanding of resilience (Linnenluecke 2017; van der Vegt et al. 2015; Vogus and Sutcliffe 2007). The system studied was impacted by four types of disturbances, these being ecological, economic, social, and political disturbances. The identification of these
disturbances resulted in a typology of disturbances, something which was previously lacking in the existing literature. This paper also identifies the resilience work of the small-scale intermediaries: uncovering forms of resilience work related to the resilient response of mobilizing, as well as of work that contributes to any resilient response, that of meshing and pooling.

While marketing does not have a model of resilience in response to disturbances, the wider business literature does. Our findings build on this theoretical work of Sutcliffe and Vogus (2003) (see Figure 9a). They created a model, which, in part, theorized that a threat could cause a resilient response in an organization without specifying what such a response entailed. Their model further argued that the resilient response would lead to the organization having new capabilities. These capabilities included broader information processing (the ability to see details and possible solutions), loosening of control (allowing those with the greatest expertise to solve problems), and utilizing slack capabilities (including cognitive, relational, and emotional capabilities). These capabilities were then theorized to lead to a positive adjustment – one equated with resilience. That positive adjustment, in turn, feeds back into the response and the capabilities, this allowing, as well, for future positive adjustments. While their model related to organizations, it can be expanded to represent the current context due to a similar cycle of threat and response. In the system that exists in Myanmar, the intermediaries create a flexible and cohesive web of relationships, accumulate pooled resources, and respond to disturbances.

This paper builds on the preceding model in relation to intermediaries in impoverished contexts. In doing so, I provide macromarketing with a model regarding system resilience – specifically, a model of work of intermediaries contributing to system-level resilience. I expand on the work of Sutcliffe and Vogus (2003) in the following four ways (see Figure 9b). First, I added specificity to the generic ‘threats’ aspect of the model. In the expanded model, I identified a typology of four types of disturbances. Second, I identified a particular form of resilient response, building on the generic ‘resilient response’ identified by Sutcliffe and Vogus. In my model, disturbances result in the resilient response of mobilizing, thereby specifying what a resilient response could involve. Mobilizing is conceptualized as a mechanism, rather than as a state to increase specificity around the process involved. Mobilizing also, as per its definition, denoted an adjustment to the disturbance. As such, in my model, positive adjustment is collapsed
into mobilizing. Third, I added specificity to the model by including an endpoint, that of the resilient – or steady – state, where the system has absorbed and recovered from the disturbance. Therefore, the expanded model identifies the nature of the specific adjustment to which mobilizing contributes, that of returning to a resilient state. Fourth, I identified work that occurs in this steady state. After the system absorbs and recovers – or returns to its steady state – the work of meshing and pooling continues. These are mechanisms that are indicative of a resilient state.

**Figure 9: A Model of Intermediary Work Contributing to Resilience**

Extending our understanding of the work that intermediaries do regarding resilience has important implications for disintermediation and, by extension, modernization theory. Although literature has pointed to the replacement of small-scale intermediaries, as they are seen as inefficient, wasteful, and predatory (i.e. Prahalad 2005; Prahalad and Hammond 2002; Vachani and Smith 2008; Weidner, Rosa and Viswanathan 2010), this present study cautions that replacing intermediaries could cause three types of problems. These problems, discussed below, are as follows: Replacing the local intermediaries could (1) create ‘last mile’ challenges through undermining their work of mobilizing; (2) create less resilient networks through threatening their work of meshing, and (3) erode community wellbeing by diminishing their work of pooling.
First, replacing the mobilizing work of the intermediaries could create ‘last mile’ challenges. Bridging the ‘last mile,’ which refers to local distribution, can be especially problematic for external organizations in impoverished contexts (Prahalad 2005) such as Myanmar. For example, in work on disaster relief, moving resources across the last mile to the ultimate consumer is fraught with difficulties related to transportation and infrastructure gaps, coordination challenges, and unforeseen challenges with unpredictable supply and demand flows, ultimately undermining resources allocation (Balcik, Beamon and Smilowitz 2008). The intermediaries in this study have solved the last mile problem at a localized level. Indeed, these intermediaries quickly, flexibly, and reliably recognize and react to local disturbances by mobilizing resources where they are most needed, thus allowing the system to continue to function in a reliable manner. Their work of mobilizing is only possible given their unique placement at the local level through curated local networks. They have, in effect, solved the ‘last mile’ problems as articulated by Balcik, Beamon, and Smilowitz (2008) through, for example, bridging infrastructure gaps, coordinating resource flows at a community-level, and identifying disturbances including unpredictable resources flows. Without this work, especially given the challenges with local infrastructure in Myanmar and myriad of ecological, economic, social, and political disturbances, resource movement could be undermined.

Second, changing the system configuration through disintermediation would impact system resilience through undermining the work of meshing. The intermediaries contribute to a distributed system by creating a web of relations. Distributed systems are characterized by a higher degree of connectivity, where all nodes are connected to all other nodes. These multiple nodes of a distributed system provided for a backup where, even if one node was unexpectedly lost, alternatives to that node exist, this contributing to overall system resilience (Longstaff 2005). Intermediaries provide for these alternatives through their web of interrelations and their decisions regarding the product mix and selling locations – or by offering substitutable products near one another, and often engaging in multiple roles in their supply chain. They seamlessly adjust to the conditions of the environment through mobilizing communal goods, money, and labour, including stepping into each other’s shops and flexibly adjusting their roles. As noted, they shift from end retailing to wholesaling, for example, or into each other’s shops. In this way, the intermediaries contribute to a distributed system configuration that is able to adjust quickly, flexibly and reliably, to disturbances.
Indeed, foundational research on communication systems found that distributed systems respond quickly to system changes and are more resilient than decentralized or centralized configurations (Baran 1964) (see Figure 10). Distributed systems are efficient at reacting in the face of changes at a local level, “without the necessity for any central – and therefore vulnerable – control point” (Baran 1965, p. v). In a distributed system, due to the high levels of connectivity, there are concerns that all network actors could be negatively impacted by a disturbance. In interconnected systems, risk and resilience are shared (Baker et al. 2007). However, this threat is mitigated when system actors are “embedded in some mutually reinforcing web of relations with other individuals, then each may be capable of weathering a greater storm than they would be by themselves” (Watts 2004 p. 303, cited in Longstaff 2005). Through their work, market intermediaries have provided for such a web of mutually reinforcing relations.

Figure 10: Types of Systems According to Baran (1964)

While business literature acknowledges that decentralized systems are thought to be more resilient than centralized systems, little about the resilience of distributed systems is discussed in the literature (Allenby and Fink 2005). Disintermediation, as per its definition, would shift the system towards a more aggregate, and hence centralized, and therefore less resilient, configuration. In other words, if the intermediaries were removed and replaced with a centralized option, as is called for within the modernization paradigm, the resilience of the present system would be undermined.

Prior to this present work, the contribution of intermediaries to creating resilient systems was overlooked in marketing when discussing and encouraging configuration
changes in impoverished contexts. Indeed, there are already some indications that the introduction of some larger and centralized seed conglomerates within this system are threatening the resilient response of the intermediaries through, for example, not allowing for the delaying of payment in the face of disturbances, with this change having serious consequences for system members.

Further, marketing has accepted the importance of agglomerations, which are networks of stores and store types in a specific area, such as city retail centers and shopping malls. Individual shops in agglomerations benefit from shared resources, such as shared parking spaces and reputation, due to their shared location and close proximity, which in turn benefits consumers (see Teller, Wood, and Floh 2016). Given this attention, it is striking that a particular type of agglomeration, that of a distributed network of distinct businesses operating within a traditional system, has been overlooked.

Thirdly, disintermediation, in addition to the loss of resilience, would undermine resources within the system. Through their work of pooling, intermediaries provide for more resources in their system than would exist without them. Although resources were thought to be important in building resilience, to date there has been little acknowledgement that resources, including goods, money, and labour, are built up by small-scale intermediaries operating in impoverished contexts and that such resources can be held communally across a system.

Through pooling, intermediaries build up communal resources, through meshing, these intermediaries create and maintain relational resources, and through mobilizing, they move these resources to those that need access to them in the face of disturbances. As well-being is defined as the access to and command of resources (Haughton and Khandker 2009), these intermediaries therefore contribute to well-being through providing access to needed resources. A positive feedback flow exists, where pooling leads to more resources, and this, in turn, leads to well-being. This is visualized in Figure 11 below through a casual loop diagram, where ‘R’ stands for the reinforcing nature of the described relationships.
Prior to this present work, small-scale intermediaries were not known to contribute to resilience, nor were they thought to contribute to the resources, and thus well-being, of those around them, both being actions disintermediation could undermine. Polsa and Fan (2011) argued that traditional intermediaries are worth maintaining if they “serve central tasks in local society” (p. 309). Intermediaries do indeed maintain a multifaceted – and central – role in their community, where they are simultaneously contributing to resilience while providing access to resources to members of their systems. Such intermediaries are thus contributing to the well-being of those in the system. All this is in addition to, or more accurately along with, their providing the core intermediary functions of facilitating the movement of goods and information.

As such, mobilizing, meshing, and pooling matter to the system’s resilience and wellbeing and to remove it could undermine these aspects. Further, these forms of work are interconnected, where mobilizing relies on the work of meshing and pooling to be effective. There is likely also a feedback effect, wherein the act of mobilizing strengthens meshing. For example, if customers are granted the ability to delay payment, this can strengthen the relationship with the intermediaries. Further, mobilizing helps to preserve resources in the system, which can contribute to pooling. This interconnection argues for a maintenance of all three forms of work to maintain resilience and wellbeing in the present system.
1.20.2. Policy Implications

Intermediaries, which at the surface might seem wasteful and inefficient, appear to serve a useful role in providing resilience and well-being to their community. They contribute to the continued functioning of their system by, in effect, providing an informal social safety network within that system through providing access to a communal pool of labour, money, and goods. Given the lack of government provision of formal financing and basic social services such as healthcare, as well as the number of disturbances that routinely impact system members in Myanmar, the work of intermediaries provides a resilient lifeline to system members.

Given the benefits generated by the work of intermediaries in these systems, policymakers and practitioners should encourage and support the continued existence of intermediaries within their traditional system so long as the work of meshing, pooling, and mobilizing is crucial to the wellbeing of the community. In other words, so long as the community members depend on the intermediaries to provide social safety nets, including employment, incomes, livelihoods, reliable food access, and resilience. These traditional systems can be balanced against the influx of supermarkets and shopping chains, as the coexistence of diverse retailing options has proven possible in Thailand (Endo 2014) and Hong Kong (Polsa and Fan 2011). This approach fits with the wider development objectives in Myanmar to support resilience and wellbeing, including the goals of the World Bank and the United Nations.

Practitioners and policymakers can engage in specific activities to support the continued existence of intermediaries in traditional markets and the beneficial work they do. For example, the government could guarantee continued use of market and plantation space through guaranteeing property rights. The system members could also seek to engage in branding efforts for their markets and food sources. While these markets and their supplying plantations likely already have a brand image, this can be supported through helping convey the key attributes the intermediaries recognized as important to their customers: reliable access to quality and well-priced products. For example, other traditional markets have succeeded in increasing their brand image, such as the Albert Cuyp market in the Netherlands, founded in 1905, which has cultivated a position as a friendly, diverse, and large-scale market. Intermediaries there engage in shared branding efforts, as evident in their use of a shared logo and packaging, and of
streamlined facilities. Policymakers could support similar branding efforts at Myanmar’s markets and plantations. This approach would also allow greater linkages to goals surrounding other revenue sources in the country, such as tourism corridors.

However, the status quo also has a cost. These intermediaries, along with other system members, are severely resource constrained in a country characterized by widespread poverty. Further, intermediaries are present at their place of business every day of the week, year after year. This presence requires an enormous expenditure of time and energy, and this self-exploitation is likely to have an associated health cost. Delaying payment collection by absorbing the cost themselves and engaging in group savings can put them individually at risk if these options were to go awry, although their pool of communal resources provides a buffer against this risk. Additionally, the selling of standardized products has a cost to the intermediaries, given that branded products can often be sold for a higher price. Practitioners and policymakers can seek to help to minimize these social costs while maintaining the benefits of this system.

Increased government expenditures could help improve some of these challenges. The government could provide healthcare and unemployment insurance, land rights, and opportunities to expand supply chains to other cities or countries. Private sector activity could help overcome the issues around financial risk through providing access to accessible financial services, including secured savings accounts, interest-based loans, and disaster insurance. These services would undeniably benefit the system members and should be pursued; however, they would not replace all the benefits provided by marketing system intermediaries. It is unlikely that the government could provide the diversity of resources and services that the intermediaries do in such a holistic, flexible, reliable, and effective multigenerational way, especially in the face of unpredictable disasters. Further, it would be unlikely that private financial services could provide the flexibility and low cost of the group savings programs the intermediaries have created.

1.20.3. Limitations and Future Work

This study is based primarily on interviews and observations. I sought to include a range of informants that were “typical…members of a broader ‘selected society’” (Shenton 2004, p. 65), who were approached in a diversity of ways. While both seed and
vegetable intermediaries, including those who worked as farmers during some parts of their day, were interviewed, all those interviewed engaged in intermediary functions. Interviewing other members of this supply chain could advance our understanding of the system, including seed producers and end customers, as well as other intermediaries such as fertilizer sellers. Future work, for example, could interview people who are only farmers, as well as end customers to discuss how they view the role of the intermediaries. This work could shed light on potential issues such as any corruption, rent extractions, and gangsterism which did not emerge in this present data set. Wider system members could also be investigated to gain insights into other aspects such as child labor incidences, hygiene and worker safety, and other wider social issues, such as potential tensions between or within ethnic or religious groups.

The participants of this study were also all involved in ongoing businesses. As such, this study does not capture the experiences of those who have failed or left the system, something which could provide other insights. Given that snowball sampling was primarily used, participants were largely connected to each other through familial, supplying, and buying relationships. It would be potentially instructive to interview others outside of this focal system in the future. Further, while secondary sources were accessed, in the form of development reports, news coverage, and government documents, and were drawn upon in the preparation of this paper and prior to entering the field, there was little information about local intermediaries or resilience work in Myanmar. In the future, it would be potentially informative to engage in other forms of data collection, such as surveys, field experiments, or ethnographies.

Although the findings of this study, as in all qualitative research, is “specific to a small number of particular environment and individuals” (Shenton 2004, p. 69), it may also be an “example within a broader group… [and hold] the prospect of transferability” (p. 69) to other contexts. Other systems around the globe may share the similar characteristics as found in Mandalay: many intermediaries with a strong web of intergenerational relationships and communal resources, close physical proximity, and substitutable products. For example, similar characteristics were observed in traditional markets in Jamaica, in umbrella sellers on street corners in Italy, and in small retail shops in India. If they, in fact, do share similar characteristics, they still might have different outcomes that can inform intervention attempts in these contexts. For example, while these intermediaries contribute to system resilience and increased well-being,
other intermediaries in other systems may not. Intermediaries in other systems may detract from well-being or cause other issues. As such, researching similar traditional systems could be instructive.

Longitudinal investigation of the impact of the introduction of centralized intermediaries in impoverished contexts and the resulting consequences on involved stakeholders could also further our understanding of modernization. Myanmar could be a potentially interesting research context for this, given that the government is continuing to relax restrictions on foreign retail chains (Redaction Asia 2015) and seeking to ‘modernize’ the agricultural sector (UNDP 2013). Mandalay is also undergoing wider social, political, and economic changes related to the transition to democracy. It would be conceptually important, should the system examined cease to function, to study what that entails and how it impacts that system's members. Given the findings of this study, it is likely that those system members would be subject to unwelcome consequences.

Another research question could focus on understanding more about disturbances that result in systemic failure. One such disturbance could be, ironically, caused by disintermediation attempts, such as through government policy or through the incursion of multinationals. Understanding system failures is crucial due to the impact on communities (Layton 2015). Investigation into groups that have been the subject of disintermediation, including the impact on other system members, would be of interest in order to assess both the benefits and the limitations of such an action. For example, in the face of disintermediation pressure, traditional small-scale intermediaries voluntarily joined cooperative chains in the 1980s in Western Europe (Kacker 1986). Further, it would be instructive to assess the potential hierarchy of the importance – and vulnerabilities - of the three forms of work, including how the work and their outcomes can be potentially replaced through alternative systems or provisions and in what ways. Importantly, future work would ideally assess and provide ways in which to reassign intermediaries within the system to ensure continued, and even improved, levels of wellbeing, in the face of changes to the system.

The findings of this study also underscore the importance of better understanding local practices and how they function to support resilience. Investigating other similar systems would help to shed light on what other benefits and drawbacks might exist, and what other types and numbers of actors and resource sets influence resilience in
different ways. For example, too large a system would likely result in high management costs and loss of flexibility and speed, while a smaller system might not be able to pool and mesh enough to mobilize in times of disturbances. Overall, increased understanding of system resilience can help us evaluate the attractiveness of alternative system configurations, which can inform development policies (Béné et al. 2014).

Relatedly, seeking to understand these systems through employing other definitions of resilience could be instructive. Gunderson and Pritchard (2002) argued there is a difference between an ‘engineering resilience’ definition, one which is focused on returning to a stable state after disturbances, and that of an ‘ecology resilience’ definition, which is focused on how much change can be absorbed before a system changes its function or structure. While this paper focused on a definition more aligned with the former, studying systems longitudinally as they undergo changes to their structures and functions would increase our understanding of the elements that influence system resilience. Traditional systems have been reported to undergo changes in response to social and cultural shifts (Layton 2015). For example, such systems have been found to tailor their offerings to the local environment in a way that ‘out-localizes’ larger intermediaries (Ger 1999, as cited in Polsa and Fan 2011) and improves shopping experiences (Goldman, Krider, and Ramaswami 1999; Polsa and Fan 2011).

Finally, there is a tension in this system between competition and cooperation. While intermediaries insisted they “worked alone” and sought to ensure they had the highest quality and best priced products, including engaging in careful presentation of the products, they also shared numerous ways by which they cooperated with their competitors, such as securing products and discussing market and pricing information. Some of these aspects might be viewed as anti-competitive behavior in other contexts. Further exploring this tension between competition and cooperation, and the other impacts it may have on the system, will further our understanding of local intermediaries in marketing systems in impoverished contexts.

1.20.4. Conclusion

In this paper, I answered calls to further our understanding of small-scale intermediaries and marketing systems in impoverished contexts, while, at the same time, building on our theoretical understanding of resilience by identifying, in turn, types of disturbances,
work that contributes to resilience responses, and a resilient response in a marketing system. I investigated the role of intermediaries in impoverished contexts and found that they contribute to system resilience. Pooling, meshing, and mobilizing within their created distributed system helps to maintain the system’s structure and functions over time while also providing a flow of benefits to the system’s members. This role calls into question current prescriptions to disintermediate, action which is part of the larger paradigm of modernization found in the business literature. Instead, it makes a case for the continued existence of traditional supply chains in some contexts.
Chapter 5.
General Conclusion

In the three chapters appearing above, this dissertation explores critical aspects of marketing within impoverished contexts. These three papers address key assumptions that underlie our understanding of marketing and development. These assumptions, and related debates, include the rhetoric of the importance of transformation, the lack of attention to the resources available in these contexts, the oft-used yet largely undefined concept - and goal - of efficiency, and the role of intermediaries in impoverished contexts. Importantly, given the increasing attention paid to impoverished contexts in marketing and business due, in part, to the base of the pyramid literature and its offshoots, it becomes even more imperative that academic marketing critically and reflexively examines its assumptions. Marketing has historically adopted ‘modernization’ premises in dealings with impoverished contexts. The resources and people within existing marketing systems, especially the intermediaries found therein, are viewed as inefficient, inferior, and in need of transformation. These assumptions have shaped both previous research questions and past prescriptions for practitioners.

This dissertation employed a systems perspective both to examine a wider set of resources, including the cultural and communally held resources that are found in impoverished contexts, and to investigate the current role of communities and small-scale intermediaries. The likely impact of possible marketing transformations also received considerable attention. The intended end result was a dissertation that has a number of implications for both academic researchers and for practitioners.

1.21. Research Implications

This dissertation has a number of implications for research at the nexus of marketing and development. More generally, it contributes to the emerging critiques (i.e. Arora and Romijn 2011; Chatterjee 2014; Chatterjee 2016; Karnani 2007; Landrum 2007, among others) of both historical and contemporary approaches to business and marketing within impoverished contexts. The dissertation does so through detailing underlying assumptions in academic marketing, including its lack of attention to the role of communities and their members, especially that of market intermediaries, and to the
resources they hold and use. Considering these assumptions, this dissertation calls for caution in how marketing academics approach, interact, and ultimately try to transform system members and the resources that already do exist in impoverished contexts.

In paper 1, this took the form of identifying and furthering our understanding of the cultural resources of community knowledge. In paper 2, this took the form of proposing an integrated model of capital sets that are involved in communities and suggesting a more appropriate goal of efficiency tailored to the local context, that of well-being efficiency. Paper 3 sought to uncover the role of local intermediaries in their communities, finding that they contribute to system resilience and well-being through their efforts. Through calling attention to previously neglected aspects of marketing systems in impoverished contexts, this dissertation aims to encourage academics to balance the work aimed at critiquing and improving these contexts by first striving to understand what is going well in their marketing systems. As such, it joins emerging work focusing on understanding the lived experience of those in impoverished contexts (see Viswanathan and Rosa 2010).

Following from the above, this dissertation has implications for transformations often suggested by academics. In particular, the three papers of this dissertation have delineated potential harm inherent in the following transformation recommendations. These include interrogating the approach of social embeddedness and its potential to bring about social harm, such as undermining financial, economic, and cultural safety (paper 1); critiquing the reigning drive for economic efficiency and delineating challenges inherent in focusing on certain forms of resources over other ones (paper 2); and attending to concerns with disintermediation recommendations (paper 3). Together, these paper tackle assumptions underpinning the Dominant Social Paradigm (Mittelstaedt et al. 2014) and modernization paradigm, such as the assumed importance of the ‘modern’, as well as the focus on economic efficiency and material wealth. Above all else, academics are urged, before recommending changes, to make certain they understand and appreciate all the elements that make up the current existing marketing system.

Additionally, throughout these three papers this dissertation has called for, and contributed to, a systems approach designed to deepen our understanding of marketing in impoverished contexts. Marketing systems make up part of our social world, where
they interact with all other elements in our social domains (see Layton 2015). Through furthering our understanding of marketing systems in impoverished contexts - including the actors that comprise them, their unique resource sets, and the disturbances that impact them - we can better understand which elements now contribute to systemic well-being and in what way and can determine the likely impact of proposed transformation attempts. This dissertation sheds light on previously relatively neglected marketing system components, including communities and community knowledge (paper 1), capital sets (paper 2), and local intermediaries and resilience (paper 3). Without a marketing systems view that takes a more nuanced perspective of the networks of actors and resources found in these communities, transformation attempts could inadvertently undermine potentially important elements in the existing marketing system.

Finally, this dissertation has identified well-being as an important part of marketing and development. Through taking a development perspective by defining well-being as the access to and command over resources (Haughton and Khandker 2009), the dissertation goes beyond the current focus on turning those now living in impoverished contexts into savvy consumers (Viswanathan, Gajendiran, and Venkatesan 2008), and into microproducers, microinvestors, and microinventors (Prahalad 2012), living in new communities (see Arora and Romijn 2012) that conform to the notions and goals inherent in the Dominant Social Paradigm and modernization theory. Through taking a well-being perspective at a systems level in a way that also allows for a focus on what is going well in these contexts, and by also taking account of the resources that do exist in these situations, this dissertation brings a more holistic approach to the topic of marketing and development, one that compliments and provides more balance to the previous existing work in this field.

Towards the goal of improved well-being, paper 1 provided the 4Cs framework, including consent, cognitive justice, capacity, and community impact, that bridges ethical and legal approaches. Paper 2 provides the Integrated Capitals Framework as well as theorizing the 72 relationships that exist between the capitals of the framework which contribute to well-being. Paper 3 empirically identified work of local intermediaries that contributes to system resilience and well-being, building on our theoretical understanding of resilience and on this understudied actor in impoverished contexts. Across these three papers, this dissertation has provided a series of interrelated potential avenues for research that could further our understanding of these currently
understudied systems. In such settings, a marketing system lens can be particularly instructive given its focus on the people and on the exchanges taking place within a social matrix.

1.22. Practitioner Implications

This dissertation also has practitioner implications, including for those involved in corporations, nongovernmental organizations, social enterprises, and policymaking positions. Before attempting to reform or to replace, practitioners need to become aware both of the system in general and of those whose lives it impacts. With a more nuanced understanding of the important actors and resources found in existing marketing systems, practitioners will be much more likely to increase the potential benefits, while at the same time minimizing the potential harm, that could arise from their activities in such contexts. For example, as delineated across the three papers, it is important that reformist activities continue to employ available and currently utilized resources in an efficient way, one that improves, or at least doesn't worsen, well-being outcomes. However, this requires practitioners to identify and question the assumptions currently underpinning their approach to marketing and development. Practitioners need to challenge themselves to look past the modernization lens that usually underpins their activities. If they are indeed prepared to take a fresh look at what is going on in these situations, such practitioners will be much more likely to engage in activities that do indeed increase the likelihood of improvements in communal well-being, while at the same time avoiding the ethical and legal issues outlined in paper 1.

Research into impoverished contexts could have implications well beyond the contexts first studied. As described in paper 1, understanding and utilizing community knowledge could provide innovative solutions, or inputs that result in innovative solutions, to wider issues related to medicine, biodiversity, and agriculture. Additionally, greater understanding of the elements that can contribute to social benefits, while mitigating social harm, when interacting within impoverished communities, such as through use of the proposed 4Cs framework, could also provide benefits to communities found in non-impoverished contexts. Indeed, a variety of such communities hold community knowledge, such as traditional Italian knowledge around stone building (Cannarella and Piccioni 2011).
As regards paper 2, insights into resources – or capitals – that contribute to efficient outcomes regarding well-being can also have implications for other communities. Indeed, communities worldwide have varying levels of the various forms of identified capitals. Deepening our understanding of what efficient use of these capitals means can provide a way of achieving the oft-lauded goal of efficiency so prized within marketing and other disciplines.

Regarding intermediaries, which was the main focus of paper 3, there has been a call to remove intermediaries both within and beyond impoverished contexts. Shapiro (2008) discusses the so-called ‘Walmart effect,’ wherein local entities are replaced by larger competitors, a process that in recent decades has transformed the retail landscapes of many different communities. This, of course is part of an even wider discussion about whether having many or few suppliers better serves the needs of consumers. A better understanding of how the work of intermediaries contributes to system resilience could potentially provide a better understanding of all the implications of the ‘Walmart effect.’

In conclusion, this dissertation has explored important aspects of marketing in impoverished contexts. Its contributing factors include a detailed historical review of relevant literature, the development of theoretical propositions drawn from academic literature both beyond and within marketing, and a report on fieldwork involving both observational-based data and interviews with members of a marketing system functioning in an impoverished context. Although much previous work has focused on the shortcomings found in impoverished contexts, this present effort draws attention to the myriad of resources that comprise the social systems of impoverished contexts. The roles of communities and their members in contributing to well-being, including contributing to and using cultural capital and contributing to system resilience have also been discussed. Through challenging previous assumptions and furthering our understanding of these complex systems, we should be better able, working in a respectful and more sustainable way, to maintain and even improve the degree of well-being found in impoverished contexts.
References


Cannan, Edwin (1921), Early history of the Term Capital, Quarterly Journal of Economics, 35 (3), 469-481.


in Protecting their Intellectual Property and Maintaining Biological Diversity,” research report, American Association for the Advancement of Science.


Appendix A. Interview Questions

A. Interviewee Background Business Information

1. Can you tell me what you did yesterday during your work day?
2. Could you tell me about your business?
3. How long have you been running your business?
4. Why did you start your business?
5. How did you start your business?
6. Who do you sell to?
7. What do you sell?
8. How do you decide what products you sell?
9. Who do you work with?
10. What days of the week do you sell on? What times of the day do you sell? How many hours a day do you work?
11. What were you doing before you started your business?
12. Did you go to school? If yes, how long?

B. Marketing Activities, Decisions, and Relationships

13. Where do you get the products you sell?
14. How many different suppliers do you buy from?
15. How did you know about them?
16. Why did you choose to buy from them?
17. How often do you see these people you buy your products from?
18. Can you tell us about a time where there was a problem getting the necessarily products?
19. Do you pay for the products right away or can you delay payment?
20. Can you tell me about a time you had to buy from someone else?
   a. How did the person your regularly buy from react?
21. Think about the person you from most often. What do you talk about?
22. How many customers do you see a day?
23. How do people know what you sell?
24. What do you tell people about your products?
25. Are most of your customers new or repeat customers?
   a. How often do you see your repeat customers?
26. Why did you think they choose to buy from you?
27. Think about your day at work yesterday. What do you talk about with your customers?
28. Can you tell us about a time your customers bought products from someone else?
   b. How did this make you feel?
   c. How did you find out about this?
29. If customers are unable to pay, what do you do?
30. How do you decide the price of your products?
31. Do you ever change the price of your products? If so, when and for who?
32. Why did you decide to sell your products here?
33. Do you like this location?
34. Are there other people who sell similar products/services to you?
If so,
   d. How many are there?
   e. Who are they?
   f. Where are they located?
   g. Do you have a relationship with these people?
   h. How often do you see them?
   i. What do you talk about?
   j. Do you ever work together with them? Do you ever help them in anyway?

35. What sort of relationship do you have with the people next to you on the market?
   k. Do you ever work together or help each other?

36. Is your family involved in your business?
   If yes,
   l. In what way?
   m. Which members of the families?
   n. Do you have any children?
   o. How many people do you live with? Who are they?

37. Are your neighbours (members of the community) involved in your business? In what way?

38. Asides from those you buy from and those you sell to, who else do you interact with?

39. In what way does religion influence your business?

40. How much money do you have left at the end of day?

41. What do you spend your money on?

42. Do you save money, and if so, how do you save money?

43. If you ran out of resources, who are all the people you could rely on for help?

44. If you get sick, what happens to your business?

45. What would you change about your business, if anything?

46. What did you like the most about your business?

47. What did you like the least your business?

48. Would you consider your business a success?

C. Demographics and Wrap-up

49. How old are you?

50. Is there anything else you would like to tell me about your business?

51. Do you have any questions for us?
## Appendix B. Supporting Quotes

<table>
<thead>
<tr>
<th>Work</th>
<th>Select supporting quotes</th>
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<tbody>
<tr>
<td>Meshing with customers</td>
<td><em>Satisfying availability</em></td>
</tr>
<tr>
<td></td>
<td>&quot;As I am always dealing with them for quite a long time, they know that … they can always get the products that they want from me. For me, I always help them finding the products, even in very rare stage. That’s why, they choose to buy from me… I always try to keep good relation with them. I always try to get the products whatever they order. I think just because of that, they buy from me… I told them like: whenever it concerns with my business, I promise them to keep providing products all the year round while keeping good relationship with them.&quot; (12)</td>
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<td>&quot;I told them that … if you want to buy products in the morning, you can come to the 34th street… I arrived to this market at every morning 10 am. I told them like that... I meet with them everyday.&quot; (25)</td>
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<td>&quot;And I can’t also get regular customers if I don’t sell everyday… Because they can always get the products from me and I never took a day off. I think that’s why customers buy from me…. For me, I always find the products they want even in the very rare situation. That’s why customers have their main suppliers.&quot; (28)</td>
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<td>&quot;I prioritize selling to those who usually buy from me. I sell to others only after I have sold to my regular customers.&quot; (7)</td>
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<td><em>Satisfying quality</em></td>
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<td>&quot;Most of the Chinese like to eat the products from Pyin Oo Lwin. And the products from Pyin Oo Lwin are very fresh, that’s why most of the Chinese like those. Because of that reason, I have to switch buying from Pyin Oo Lwin.&quot; (20)</td>
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<td>&quot;I don’t have much problems [with my suppliers]. But sometimes, if they send me the poor quality products, I can’t sell much of my products… When the problems occur like that, I just stop buying from there for a while up till I feel comfortable dealing with them.&quot; (3)</td>
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<td>&quot;Yes sometimes. For example, I order some products from them and they send me the products which are not having good quality. At that time, I get angry and call to them and tell them that ‘I will send these bad quality products back to you’. We cannot always get the best quality of green groceries in the market, so if I get bad quality products from my suppliers, I complaint to them that their products are not good. Then sometimes, they reduce the prices a little bit and give me discount.” (4)</td>
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<td>&quot;If the products are good in quality, and if I think customers will like those, I just buy those to sell... If I can’t get quality products, I don’t buy.&quot; (10)</td>
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<td></td>
<td><em>Satisfying pricing</em></td>
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<td>&quot;As I have been paying special attention to pricing, most of the customers do not really need to complain about pricing to me... As I am a seller, I have to buy at the place where I can get the cheapest price because I am going to resell those to customers. Only if I find like that, I can sell my customers the same price as others are&quot;</td>
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solving. Finding the place where I can get the cheap price means looking for promotion when buying goods from them.” (25)

“It is very good buying from them. I buy from Zaycho market. I also get with the cheapest price, only if I get with the cheapest price, I can sell it with the reasonable price... I choose to buy from places where there is a cheapest price.” (21)

“As they are the owners of plantation, they can reduce a bit for me. That’s why I started working with them… I get the cheap price [for] my customer. If I buy this from others, I have to give 1100 kyats, but if I buy from my supplier, I can get with 1000 kyats.” (22)

“When I meet with suppliers, I told them pricing, I always told them not to charge us more than others.” (29)

<table>
<thead>
<tr>
<th>Meshing with suppliers</th>
<th>Communicating and purchasing often</th>
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<tr>
<td>“I like to work with them only if I have good communication with them. Sometimes, besides having promotion, it is also very important to have mutual understanding between suppliers and customers.” (25)</td>
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<td>“The time that I usually order products is around 8 pm. So, I just mark down all the products that I could sell more within the day. So, based on that list, I re-order products.... Sometimes, I talk with them on phone. But on some other times, I, myself, go to the market and see the product.” (23)</td>
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<td>“I keep them as my main suppliers. When we sell green groceries, I need to have suppliers who can always give their products to us. So that we can take all the products from their plantation whatever they planted.” (12)</td>
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<td>“I have only one supplier that I usually buy the products from.... For me, I find the main supplier where I can always get the products I want to buy.... But all the suppliers are somehow like my family as I have been selling in the market for quite a long time... everyday from Pyin Oo Lwin” (28)</td>
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<tr>
<th>Meshing with customers</th>
<th>Giving extras</th>
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<tr>
<td>“When they ask about delivering, I told them that we can deliver products without charging anything” (21)</td>
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<tr>
<td>“Yes. For example, I also give like this kind of plastic bag that cost 100 kyats for free of charge” (19)</td>
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<tr>
<td>“And I also give them extras. I always put extra peas and food for them.” (22)</td>
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<td>“I sometimes have to go along with them to their field and look at the conditions happening to their crops. I explain all the knowledge I know about plants, crops to all my customers. I also allow them to pay delay payment. I am always ready to give them advice, suggestions. I also advice them which classes they should let their children attend in summer depending on their hobbies. It is the present/gift I give them. That’s why I said I am treating them like my siblings. I have been doing this free service for 4 years.” (25)</td>
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<thead>
<tr>
<th>Meshing with suppliers</th>
<th>Forging new trade links</th>
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<tr>
<td>“Sometimes I buy the rice, onions, and peppers and even sell back to Muse which is in Shan State and China border. It is very far from here.” (10)</td>
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“Yes, I go [to the border]… We buy the products and sell again in the village... We can buy the products at Kyae Gong, the border trade area of China and Myanmar. Sometimes, in Musae, one of the very closest city of China border.” (17)

“I have customers from distant areas, like Yangon, Mon Ywa, and Ba Maw... If I have to send these products to distant cities, I just go and send those to the related car gates. For example, if I got order from Yangon, I deliver goods through Yangon car gates.” (20)

“I have so many suppliers, some re from Kwe Son village, Myit Nge village, Kyauk Mae city, and Taungyi city. I buy products from different areas according to their regional products. For this Gwalakhar fruit, I buy from InnLay (in Taunggyi)... [I know about them from] the connections from one another, I got to know these people. Some of them open whole sales selling centers.... They deliver their products to my place when it is at night. There is a Taungyi wholesale center in Zaycho Market (where I can buy products from Taungyi).” (21)

“Providing information and interacting often

“I have a good relationship with all of [the competitors]...we say things like: "Do you sell this product or not? Could you sell out all of these products"... we sometimes ask about how much profit they could make on a particular products. We discuss about pricing...They help me like I help them.” (19)

“I have a good relationship with [the competitors]. Whenever we meet, we always ask about pricing, whether the prices are fallen or risen... As we are selling ourselves, we don’t usually meet each other. But if we meet with each other, we call and say hi to each other.” (24)

“Meshing with competitors

“In the evening, there are about 100 people in this market... I see them... We just ask each other about selling products, like do you have customers or do most of the customers buy the products, just like that.” (25)

I usually meet with those who open the shops around here.... We talk things like: there are only a few customers coming, and the original buying prices of the products, sometimes, we all are complaining about price rising. If we could sell out the products, there is no complaints coming out from talking.” (30)

“Meshing with monastery

“If customers come and buy from us to donate to the monks, then we put so many extra products.” (30)

“Once a week [I donate] to the monastery.” (11)

“As big donations cost a lot, we rarely donate like that once in a life. But we always do small donations.... We do small donations almost every day. As you know, we, the Buddhist are very happy to do donation.... I do things like doing donation.” (12)

“Yes, normally, if people come and ask for something, I usually donate. I donate things like: money, rice, and vegetables. There is an orphanage with 200 orphans near 73rd street. If I wish to donate to them, I donate vegetables. If we donate vegetables, they cook and
<table>
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<tr>
<th>Pooling of money</th>
<th>Building up communal savings</th>
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<tr>
<td>&quot;I save in the saving group. They come and collect every night. For example, we have 10 people who save money every day…. in order to have big saving, I save in the saving group.&quot; (10)</td>
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<td>&quot;In the saving group that I save, we are supposed to saver 150,000 kyats per month, but if someone has taken the saving very firstly, the next persons have to pay only 90000 kyats. So, from there, we can earn 60000 kyats per month.&quot; (11)</td>
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<td>&quot;I belong to a saving group. I do something particular whenever I got the big amount of money from the saving group. I do things like: doing donation, and building a house… I hold the saving group. I have about 30 members in my saving group. I save both in the market and the village…. I asked people like: I am going to hold the saving group.&quot; (12)</td>
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<td>&quot;I save money in saving group. we have 15 participants saving in that group. I save 2000 kyats a day in saving group. Our plan is to save over a year. In every 15 days, one of the participants from the group will get money. If I got money from the saving group, I do donation.&quot; (14)</td>
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<tr>
<th>Pooling of labour</th>
<th>Locating in close proximity</th>
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<tr>
<td>&quot;Actually, we moved to this market from that market. By the time we move to this market, we had to take our own place. A person can take one spot. We took two spots, one for me and one for my mom. My mom gave me her place…. [I like this spot] because this is being the topmost part of the market&quot; (10)</td>
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<td>&quot;…most of the shops here in this market are selling like these. I think there are estimate about 10-15 shops. Even my neighbors sell like us….. &quot; (30)</td>
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<tr>
<td>&quot;Here, everything is ok… I have a very wide space to sell here in this place. And most of the people also buy from me… There are so many people selling the same products as me…. I am familiar with all the people from the market.&quot; (21)</td>
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<td>&quot;My place is in the middle of the market…I hire that place from another… The place that I am opening in the market is in the middle of the market. So, I can say that it is one of the crowded areas in the market.&quot; (16)</td>
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<tr>
<th>Pooling of labour</th>
<th>Remaining open throughout the day</th>
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<tr>
<td>&quot;When one of us is not feeling well, the rest of the one, who is feeling well open the shop. We didn’t even close the shop while my wife was in hospital to born the baby.&quot; (30)</td>
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<td>&quot;I have no days that I do not work.&quot; (28)</td>
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<tr>
<td>&quot;Yes, I work every day. What I said [before] is my daily life cycle…. Every day [I see my customer] no matter how much they buy; I meet with them every day.&quot; (1)</td>
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<tr>
<td>Pooling of labour</td>
<td>Maintaining different roles</td>
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<tr>
<td>“[I] work every day. No day off…. As I am doing this business, I see [my suppliers] every day whenever I go to their plantation fields.” (12)</td>
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<tr>
<th>Maintaining different roles</th>
<th>“For me, I not only do my own plantation, I also buy from others and sell…. I sell both the retail and wholesale. I sell the products in a variety of ways” (11)</th>
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<tbody>
<tr>
<td>“I, myself, also do plantation. I was very busy working on plantation in the beginning. So, later on, I focus on selling products instead of doing plantation on my own. In the very beginning, I just give wholesale to the customers. But now, I buy the whole plantation field and sell those products.” (12)</td>
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<td>“I also sell wholesale. I also sell directly to the farmers for their plantation fields. I also sell these to the shops from other cities. Moreover, I also do my own plantation.” (27)</td>
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| Maintaining different roles | “Before I only sell the products from my own plantation. Now, I only sell the products from Pyin Oo Lwin. I stopped doing my own plantation. There is no one working on plantation as I already got married. That’s why I have already rented all my plantation fields. I am not doing my own plantation. My plantation is not in the village, it is in the Mandalay region, near 41st street, in Sein Pan township.” (28) |

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<th>Pooling of goods</th>
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<td>“They sell just around here. I think there will have more than 30 people selling the same products as me. There are about 7 truck cars coming down to Mandalay every day carrying goods. Within a car, there are about 4 or 5 resellers. As we have 7 cars coming down to Mandalay every day, I think there will be 40 resellers.” (18)</td>
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<td>“Yes, almost the whole market is selling the same products as me.” (19)</td>
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<tr>
<td>“There are so many people who are doing like me, buy the products from suppliers and sell again here.” (28)</td>
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<td>“Almost all the people [around me] are selling similar products.” (10)</td>
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<td>“When I sell, the customers do not need to pay the money straight away. I go and collect to them in the evening… They may request me to wait them pay for one day, or two days later, and some up to one week…Sometimes, if my customers are really in difficult condition, I have to wait one month to get my money back. So mostly is one or two days, one month condition is rare… When we selling things, we must have at least 3 or 4 times than the actual amount we run. E.g, if we invest 50,000 ks to buy the products, we must have at least 2 lakhs in hand. This is to invest for other things such as to buy new products, to buy more quantities of products or to let the customers pay later.” (1)</td>
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| “I have encountered with like that kind of situation [when customers cannot pay]. But when I meet with them, I ask the money from them. They gave me as much as they can. If they can’t give me the money back, I just give up asking for… But I can ask help from my surrounding. For example, I request my suppliers to take money
| Mobilizing goods | Reconfiguring good flows with competitors | “I have good relationship with all of [my competitors]. They come and take the products from me if they don’t have. And I also take from them if I don’t have... we share each other if the products are getting rare…. Most of the people from plantation fields stopped working especially in rainy days. In those days, we can only get 5 kg, instead of 10 kg. And we need to share that 5 kg of the products between each other.” (19) |
| --- | --- | “I don’t usually buy from other [suppliers]. Only in certain time, when I need a particular product, I buy from other suppliers.” (19) |
| Mobilizing goods | Reconfiguring suppliers | “I just buy from different suppliers. As these seeds are usually run out of stock, I have to buy from any shop that can provide me these.” (13) |
| --- | --- | “Sometimes, I have problems when they run out of products that I want to buy... Whenever such kind of things happen, I order directly from the border of China through car drivers.” (17) |
| Mobilizing goods | Redrawing boundaries with their competitors | “Yes, we also help each other selling when we are away because of being neighbors.” (10) |

From me on next day. From delaying payment, I try to solve my problems.” (18)

“I told [customers] to pay me next day…. They know very clearly that they must pay the money next day. Because they know that I have to use that money on buying the products. Only if I got the money from them, I can pay to my suppliers… Sometimes [with suppliers] I pay immediately, sometimes, I delay a week to pay” (21)

“There are some who pay money straight away, and there are also some customers who do delay payment. Those who are not familiar with me must pay immediately. For my regular customers, I let them take the products first and then pay the money after they have sold out the products. The regular customers can give delay payment… Those who are not my regular customers must bring money from home to buy goods.” (23)
"We just help each other selling when we are away from shops. For me, I don’t sell for my neighbors. I have never given help to my neighbors. Only my neighbors help me." (11)

"[Us competitors] help each other selling the products when he or she is away from her shop. Moreover, we also help each other packaging things when the market is over… They help me like I help them." (19)

"Moreover, we also help each other taking care of the shops when someone is away from their own shop…. We are somehow like relatives… I have somewhere to go, they sell my products instead of me… No, we just work in our own way. Only if they are away from their shops or they are busy selling, we help each other selling." (23)