The Fortune at the bottom of the Pyramid

Chapter: Transaction governance capacity

Amazon link:

http://www.amazon.com/Fortune-Bottom-Pyramid-Eradicating-Poverty/dp/0131467506

What I expect to learn:

- To learn how to reduce corruption through BOP

Quote:

"Corruption, as we said, is a market for privileged access. It thrives in a system that allows for opaque decision-making. The cost of being inside the system will decrease only if governments tackle the issues of access, and transparency and recognize the changes needed in both the regulations and the laws. The experiment in Andhra Pradesh is one example of how digital technologies can be used to creatively enhance TGC (transaction governance capacity) through better access and transparency."

Looking at the 3rd-world countries in the world, we could see that they are actually rich in resources, mentioned in this book as "trapped resources" by Prahalad. These resources of unrealized wealth are actually a result of inadequate rules and regulatory organizations. Laws and government agencies may actually already exist but any enforcement is limited to those who doesn't have connection to those in power. The main goal in getting the private corporations and the BOP to work together is creating a win-win situation wherein private corporations gain profit, while poverty is lessened. For private sectors to achieve this, they must innovate wherein they could satisfy the needs of the BOP and still gain profits.

Book Review:

This chapter discussed about corruption being an evasive adversary. It will try to bail itself out just to continue on feeding on people's money. Information technology is one of corruption arch-rival. The project eSeva has made gigantic strides into repelling corruption. It still is a work in progress, but the promises are very delighting. They have turned the government-centric system into a citizen-centric system, this way, people have easy access to what they need from the government.

What I have learned:

- The Andhra Pradesh e-Governance Story

- Guiding principles of the CGG in Andhra Pradesh

- The good governance model

- Building transaction governance capacity (TGC)

Integrative Question:

1. What is TGC?

2. Are the poor really poor?

3. Is the lack of natural resources the reason why a country is poor?

4. How can we reduce poverty?

5. In what way does IT industry could stop or at least reduce corruption?