



Base of the Pyramid (BOP) Debate

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Four positions...

- Business case for BOP strategy by MNCs (including a critique of the assumptions made by Karnani)
- Business case against BOP strategy by MNCs (including a critique of Prahalad and Hammond's assumptions)
- Development case for the BOP strategy (it is a viable solution to the problem of poverty)
- Development case against BOP strategy (it is not a viable solution to the problem of poverty)



Discussion questions

- What must MNCs do differently in order to succeed in BOP markets?
- Is it ethical for MNCs to extract profit from the poorest of the poor?
- What does Karnani think we should be doing to combat poverty in place of the BOP strategy



More questions

- How should we theorize people at the BOP?
 - Do they make rational economic decisions?
 - Is it possible that there are multiple form of economic rationality?
- What are the ultimate strengths and weaknesses of using the BOP strategy to alleviate poverty?
- Does the BOP strategy divert attention away from the failure of the state to provide its citizens with basic goods and services?
- Is there indeed a fortune at the base of the pyramid?



Recent developments

- It should be noted that BOP proponents have taken Karnani and others' criticism to heart and have worked to developed versions of the strategy that envision people at the BOP as business partners and collaborators rather than merely as customers
 - See, e.g., the “Base of the Pyramid Protocol”:
<http://bop-protocol.org/>

