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Developing Inclusive Business Models at the Base of the Pyramid: A Resource-Based View

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Abstract:

This paper is grounded in the extended resource-based theory proposed by Warnier, Weppe, and Lecocq (2013), which emphasizes the role of managerial subjectivity in defining resources that can be leveraged for competitive advantage. Traditionally, resources have been classified as strategic, ordinary, or negative, with negative resources often overlooked despite their potential value. This study explores how the business model framework can facilitate the identification, capture, transformation, and delivery of negative resources by combining them with other resources. We address the gap in the literature concerning the integration of negative resources and their strategic importance.

Through an exploration of two detailed case studies of companies operating in the Base of the Pyramid (BOP) market, we provide empirical insights into innovative practices that enable these firms to convert negative resources into valuable assets. The case studies include *THE ORGANIZATION X 's "Branchements Sociaux BS*" program in Morocco and *THE ORGANIZATION Y* in Bangladesh. These cases illustrate how organizations can repurpose negative resources to create inclusive and sustainable business models, offering essential services to underserved communities.

Our findings suggest that negative resources, when effectively integrated and managed, can significantly contribute to both social and economic value creation. This study highlights the importance of developing inclusive business models that not only provide essential services to marginalized populations but also utilize and enhance local resources and capabilities. The implications of this research extend to managers and policymakers seeking to foster innovation and sustainability in resource-constrained environments. By focusing on how negative resources can be transformed into strategic assets, this research offers valuable insights into creating competitive advantages in BOP markets.

Keywords: Inclusion, negative resources, Base of the Pyramid (BOP), sustainable business models, resource-based theory.

JEL Classification: L22 Firm Organization and Market Structure

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1. Introduction :

Institutional actors, governments, donors, and NGOs are increasingly focusing on the concept of inclusion. This growing interest appears to be an attempt to address the shortcomings of prioritizing solely economic growth and to ensure that the benefits of growth are more widely distributed among marginalized populations.

On a more academic level, the notion of inclusion has been discussed since the early 1990s, particularly in research fields aiming to improve the conditions of marginalized populations in developing countries. This concept has progressively gained prominence in the social sciences, with some viewing it as the opposite of exclusion, while others use it interchangeably with the concept of integration (Slee, 2012; Bouquet, 2015).

In this paper, we employ the theoretical framework of the resource-based view (RBV) to offer a novel perspective on inclusion within the Base of the Pyramid (BOP) market. The RBV, as articulated by Penrose (1959) and further developed by Barney (1991), emphasizes the strategic importance of resources that are valuable, rare, inimitable, and non-substitutable (VRIN). However, the traditional RBV approach has faced numerous critiques, particularly regarding its neglect of "negative" resources, which are often perceived as liabilities or burdens.

A negative resource is defined as "a resource neglected by companies, generally perceived as negative in terms of performance, meaning it is expected to have productivity lower than its cost. Such a resource is often considered value-destructive for the firm that possesses it" (Warnier et al., 2013; Weppe, Warnier, & Lecocq, 2013). These resources typically accumulate technical and/or social difficulties. Inclusion research has identified barriers hindering the use or exploitation of these resources, categorized into spatial, informational, and financial obstacles (Vachani & Smith, 2008).

One manifestation of inclusion involves integrating unexploitable, "excluded" resources perceived as negative by the majority of market actors (Weppe et al., 2012, 2013). In line with Prahalad and Hart's (2002, 2005) recommendations on BOP strategies, many social enterprises have redefined their organizational and management approaches by integrating resources deemed negative into their value propositions.

Therefore, in this paper, we seek to address the following research question: How can negative resources be redefined and integrated into the value creation processes of firms operating in BOP markets? Knowing that, The BOP market represents a significant, underserved segment, where the world's poorest populations live on less than $2 per day.

In this paper, we analyze the organizational level of inclusion by examining the integration of so-called "negative" resources. Supported by a thorough literature review, we included an analysis of practices from two case studies involving companies that have developed inclusive business models. The first case is THE ORGANIZATION X's "Branchements Sociaux BS" program in Morocco, which provided peripheral and marginalized neighborhoods with access to sanitation, water, and electricity services through an innovative program and financing model. The second case is THE ORGANIZATION Y in Bangladesh, which aimed to improve children's health by selling highly nutritious dairy products at affordable prices to very poor families.

Our analysis will cover the identification, capture, transformation, and distribution of negative resources, illustrating how these resources can be leveraged to create both social and economic value in BOP markets. The paper is structured as follows: first, we provide a literature review on the concepts of inclusion and negative resources. Next, we detail our theoretical framework and methodology. We then present and discuss our case study findings. Finally, we conclude with implications for theory and practice, and suggest areas for future research.

2. Literature review:

2.1. Resource-Based View and Strategic Management

The Resource-Based View (RBV) has become the dominant theoretical approach in strategic management for understanding and interpreting firm growth. Originating from the combined Penrosian and Barnean logic, RBV focuses on a firm's resources and capabilities rather than its products. Introduced by E. Penrose in 1959 and revitalized by Wernefelt in 1984, RBV was further entrenched in social sciences through the seminal work of J. Barney in 1991.
RBV primarily explores the heterogeneity in performance among organizations (Barney & Clark, 2007). The existing literature seeks to integrate two dominant perspectives: Penrose's (1959) focus on the versatility of resources and their services, and the RBV's emphasis on resources that meet the VRIN (valuable, rare, inimitable, and non-substitutable) and its extension to VRIO (valuable, rare, inimitable, and organized to capture value) criteria.
Theoretically, VRIN resources enable firms to exploit unique opportunities and secure competitive advantages, while versatile resources allow firms to recombine assets in novel ways to create value. However, a meta-analysis by Nason and Wiklund (2018) of 123 samples from 113 studies involving data on 38,815 firms found that combined resources are more directly associated with higher growth than VRIN resources, which do not consistently lead to superior performance.

2.2. Expanding the Conceptualization of Resources

The scientific community has extensively debated the RBV approach, suggesting that a new conceptualization of firm resources is necessary (Warnier et al., 2013). Earlier, Montgomery (1995) highlighted the need to consider all types of resources—labeling them as good, bad, and boring. Others have echoed this call for expanding research to include various types of resources (Prévot, Brulhart, Guieu, & Maltese, 2010; Weppe et al., 2013).
These underutilized resources, often termed "junk" resources, negative resources, easily accessible, boring, or versatile resources, encompass human and physical assets that have been overlooked by both academics and practitioners. They are frequently neglected in business models because they are not perceived to offer direct competitive advantages.

2.2.1. Inclusion of Negative Resources in the BOP Market

The population living at the Base of the Pyramid (BOP) generally represents a largely unskilled human capital with limited purchasing power, making them less attractive as potential customers for firms. Several theoretical streams have focused on this population, and resource-based theory, in its extended form, encourages the combination and use of negative resources in the BOP market. This perspective views the BOP as an intriguing and fertile ground for organizational research (Barney, Ketchen, & Wright, 2011).
Organizations that choose to operate in the BOP market often concentrate on developing an innovation-oriented organizational culture. These firms adopt inclusive business models that leverage local approaches in their value propositions, integrating negative resources as employees, suppliers, and sometimes even entrepreneurs (Goyal, Esposito, Kapoor, Jaiswal, & Sergi, 2014). Companies operating in the BOP market directly contribute to improving the economic and social conditions of the poor, serving as a springboard for their integration into the process of social inclusion.

2.2.2. Negative Resources: A Largely Untapped Potential

In their extension of the resource-based theory, Weppe et al. (2013) introduce a new typology of resources, categorizing them into three groups: strategic, ordinary, and negative ("junk") resources. This categorization is based on two major observations:

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- **Focus on Strategic Resources:** The predominant focus on strategic resources by scholars, particularly those following Barney's approach, has led the academic community to overlook the full spectrum of available resources both in the factor market and within firms. Despite their rarity and strategic importance, VRIN resources constitute only a small fraction compared to other types of resources.
- **Value Analysis of Resources:** Warnier et al. (2013) argue that the resource-based approach has largely analyzed the value of resources based on their price or their utility value, typically considering them ex-post development (Warnier & Weppe, 2022). Schmidt and Keil (2013) extend this analysis by emphasizing the need to consider the ex-ante value of resources, noting that resources must be acquired and developed before they can create market value.

The progressive recognition of different types of resources has sparked interest among scholars in the potentially destructive and limiting aspects of some resources. This has led to concepts such as "strategic liabilities" (Arend, 2004), "capability weaknesses" (Sirmon et al., 2010), and "resource weaknesses" (West & DeCastro, 2001). These concepts underscore the need to move beyond traditional approaches and propose a comprehensive framework that integrates all types of resources.

Drawing on the works of Warnier et al. (2013) and Weppe et al. (2013), the authors propose a resource typology that considers the following parameters: (1) the characteristics of the resources, (2) their perception by managers, (3) the strategic actions that firms can take regarding these resources (such as identifying new services, combining them with other resources, or expanding their use), and (4) their effects on performance (See Table 1).

Table 1: Definitions of Resources

Type of resource	Definition	Characteristics
Strategic resources	"A strategic resource is a rare resource, generally perceived by firms within the same sector as positive in terms of performance, meaning it has expected productivity higher than its cost (of acquisition or internal development)" (Foss & Ishikawa, 2007).	VRIN or VRIO; highly studied
Ordinary resources	An ordinary resource is common in the market, generally perceived as neutral in terms of performance, meaning it has expected productivity equivalent to its cost. Such a resource is often considered by managers as ensuring competitive parity at best.	Neutral; competitive parity; constitutes the largest share of assets
Negative resources (rn)	A negative resource is one neglected by firms, generally perceived as negative in terms of performance, meaning it has expected productivity lower than its cost (of acquisition or internal development). Such a resource is often considered value-destructive for the firm that possesses it (Weppe et al., 2013).	Not extensively researched; firms typically seek to dispose of them; value-destructive; widely available; affordable

Source: According to Weppe et al. (2013)

According to Warnier and Weppe (2022), distinguishing between different types of resources opens up a debate on reconsidering the specific processes of identification, capture, and construction for each type of resource. Our analysis of negative resources aligns with Warnier and Weppe's (2022) hypothesis that existing resources are valued by actors based on their use, highlighting the subjectivity often present in the definitions found in the literature. This perspective leaves room for the possibility that a resource considered costly and/or value-destructive might not necessarily be a source of competitive disadvantage or value destruction. This suggests that the methods of obtaining and integrating resources vary according to the type of resource. For instance, while strategic resources might be available in factor markets, they are most often developed internally within firms (Warnier, 2008). Conversely, ordinary and negative resources are, by definition, more readily available and typically attract little interest from organizations that generally seek to dispose of them. As a result, these resources are more likely to be acquired at low and accessible prices.

Furthermore, to achieve sustainable competitive advantage, a firm must be able to fully exploit the potential of all its resources (Barney & Clark, 2007). This capability often resides in the company's structures, procedures, and practices, which are embodied in its business model and its propensity to integrate innovation.

Prahalad (2010) posits that the Base of the Pyramid (BOP) market is a domain of opportunities and innovation where various stakeholders can significantly drive economic and social transformation. This view is consistent with the work of Hart and Dowell (2011), who extend the Resource-Based View (RBV) into the Natural Resource-Based View (NRBV). They emphasize the importance of the BOP and the role of businesses in poverty reduction and combating exclusion (Hart & Dowell, 2011).

2.3. The Base of the Pyramid (BOP): A Promising Ground for Inclusive Practices

Barney (2011) views the Base of the Pyramid (BOP) as a fertile area for research within the Resource-Based View (RBV). In his seminal article, "The Future of Resource-Based Theory: Revitalization or Decline?" (Barney, Ketchen, & Wright, 2011), the authors discuss the resources and capabilities necessary for entering and succeeding in BOP markets, where approximately one-sixth of the world's population lives on less than $2 per day.

The BOP concept was introduced by Prahalad and Hart (2002), depicting the global population as an economic pyramid that categorizes individuals according to their purchasing power. Despite its groundbreaking nature, the concept has faced several critiques, especially concerning the actual size of the BOP market, which critics argue is challenging to measure accurately.

Prahalad's proposal starts by moving away from traditional models of combating poverty and exclusion, which rely heavily on subsidies and aid. Instead, he advances the idea that marginalized populations should not be viewed as a societal burden but rather as consumers (BOP 1.0), partners (BOP 2.0), and finally, entrepreneurs (BOP 3.0) (Dembek, Sivasubramaniam, & Chmielewski, 2020; Simanis & Hart, 2008), as illustrated in Table 2.

Table 2: Evolution of the BOP Approach

Differences	BOP 1.0	BOP 2.0	BOP 3.0
Model	Selling to the poor	Business Co-Venturing	Supply Chain Focus
Objective	Finding fortune at the BOP	Mutual value creation for the BOP and multinational enterprises	Inclusive business strategy
Perception of target population	As potential consumers	As business partners (associates)	As employees, producers, and business owners

Source: Adapted from Simanis et al. (2008) and Dembek et al. (2020)

Operating within the field of strategic management, Prahalad and Hart (2002) initially challenge the notion that poor consumers are uninterested in brand value and quality (Prahalad, 2010). The authors emphasize creating the "capacity to consume" among BOP populations, which is

closely tied to the organization's ability to make marketed goods or services affordable without compromising quality. Moreover, products or services must remain available and accessible to BOP consumers, for instance, through dedicated and specific distribution networks to reach rural populations.
In the early stages of BOP market exploration, authors promised significant growth and profit opportunities for companies willing to invest. Prahalad's book "The Fortune at the Bottom of the Pyramid" (2014) outlines twelve principles for navigating BOP markets. Many of these principles are closely linked to the potential of BOP markets to act as catalysts for socio-economic inclusion. Key recommendations include; Recognize the importance of deep understanding; Address the skill gap; Design adaptable products; Minimize the consumer's learning curve' Embrace innovation and challenge existing paradigms; and other features.
Moreover, investing in this market can entail certain risks associated with the excluded and under-researched nature of these populations. In this context, Vachani and Smith (2008) identify the obstacles encountered in the BOP market into three categories: spatial barriers (infrastructure, roads, electricity, telecommunications, etc.), informational barriers (access to information, ignorance about markets, the value, pricing, and quality of products/services, etc.), financial barriers (low banking penetration rates, limited access to financial services, etc.), and cognitive barriers (illiteracy, etc.).

2.4. Modalities of Including Negative Resources

Inclusion at the societal level concerns the representation of marginalized populations while acknowledging the uniqueness of each individual. This approach ensures effective and rightful participation in processes that impact their lives. Politically and developmentally, "inclusion" has increasingly replaced the traditional focus on "anti-poverty programs," gradually supplanting the term "exclusion" (Nilholm & Göransson, 2017).
At the organizational level, studies on inclusion focus on integrating marginalized groups, addressing their inferior status within organizational structures, and examining the effects on these groups. This perspective highlights the human vulnerabilities, lack of power, resources, and status that marginalized groups often face. These elements must be considered when discussing inclusion within organizations (Kiss, Primecz, & Toarniczky, 2022).
Shore et al. (2011) define inclusion within an organization as fostering feelings of belonging and uniqueness among members. These two patterns necessitate that organizations adapt their business models to the specificities of marginalized populations, from identification through to distribution. Shore et al. (2011) emphasizes how the unique skills and perspectives brought by marginalized groups should be viewed as opportunities for new organizational practices rather than as obstacles.
According to Kiss et al. (2022), aspects of inclusion at both societal and organizational levels are crucial for understanding social enterprises. However, previous literature indicates that while social enterprises address inclusion at the societal level, there is a lack of research on how deeply inclusion is embedded within the operations of the social enterprises themselves.

3. Methodology

A Research on organizational inclusion, negative resources, inclusive value chains, and best practices for BOP markets is scarce. This paper, therefore, focuses on the organizational level of inclusion by examining its modalities throughout the value propositions of social enterprises, as well as best practices for inclusion.
This study adopts a qualitative approach using multiple case studies to uncover how negative resources are integrated into BOP markets, driving significant social change and contributing

to the fight against exclusion. The research investigates two cases of enterprises with inclusive operations in the BOP: one in Bangladesh and the other in Morocco. The multiple case study method is particularly well-suited for understanding the integration of negative resources in BOP markets, where traditional business practices often fall short. This approach enables us to explore the nuances of each organization's strategy and how they tailor their processes to meet the specific challenges and opportunities presented by BOP environments. By examining diverse cases, we gain a holistic view of the best practices for leveraging negative resources in ways that drive both economic viability and social impact.
The case study selection was based on the enterprises' innovative approaches to inclusion and their significant impact on local communities. Both organizations and their initiatives have been publicly recognized and widely applauded, particularly for their unique strategies for transforming negative resources into valuable assets, thereby reducing social exclusion and promoting economic empowerment.
Since both cases are exhaustedly documented, data collection for the case studies was conducted through a public information source (secondary data). We gathered data from company reports, published articles, and other publicly available documents.
The data analysis involved a comprehensive examination of the collected information to identify patterns, themes, and key practices related to the integration of negative resources, presented and summarized in the following section.

3.1. Case Study 1: The "Branchements Sociaux BS" Program by the organization X in Morocco

The first case analyzes a company in Morocco that adopts innovative approaches to include negative resources in its operations. This enterprise's strategy for incorporating marginalized populations and transforming these resources into valuable assets will be analyzed, highlighting its impact on reducing social exclusion and promoting economic empowerment.

Aspect	Details
Activity	An initiative by the organization X, supported by Moroccan authorities, to provide quality water, electricity, and sanitation services to economically disadvantaged households. The program uses an innovative financial mechanism where disadvantaged households pay only 1/10th of the connection cost, with repayment options over several years (up to 10 years).
Social mission	To provide affordable access to potable water, electricity, and sanitation services to impoverished households.
Brief history	Launched in November 2002 by the organization X Maroc and it Headquarter Eau's AMI branch in collaboration with the Moroccan government. By mid-2009, the program had connected approximately 300,000 households to water, 300,000 to electricity, and 100,000 to sanitation services.
Legal status	Operates through concessions granted to local companies Amendis and Redal, with contracts of 27 years for Redal and 25 years for Amendis starting from 2002.
Beneficiaries	Focuses on households in slums and peripheral neighborhoods lacking access to quality water, electricity, and sanitation. Also targets specific unconnected households in already equipped areas under the "Individual Social Connections" program.
Human resources	Employs over 4,000 people.

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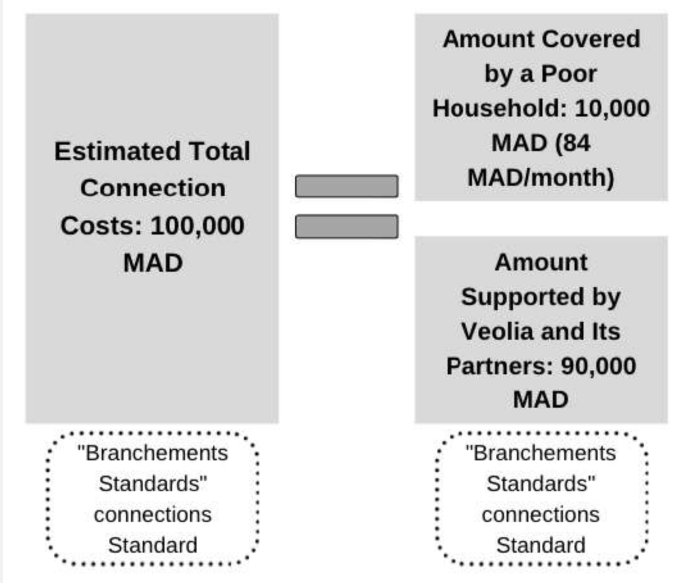
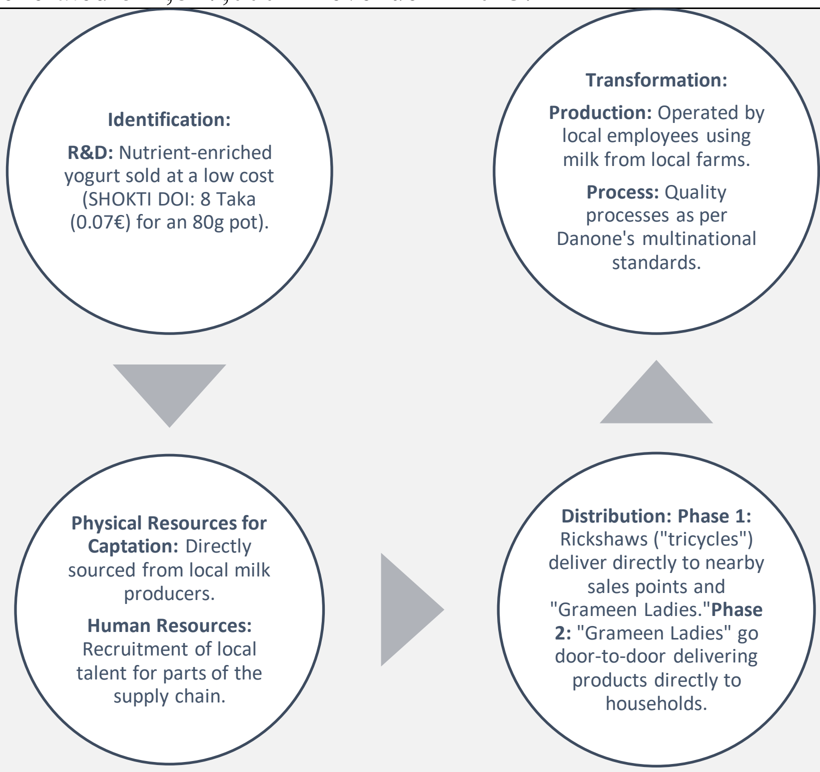
Partners	Key partners include: Moroccan government; Local authorities; Ministry of the Interior; Civil society; National Initiative for Human Development (INDH; International organizations.
Revenue	Generated 4.8 billion MAD in 2010.
Value proposition	 * The amount due from the poor household is distributed over 10 years.
Particularities / specificities	Distinguished by its role as a private sector initiative creating partnerships to provide financing solutions for access to essential services for poor households.

Source: Author

3.2. Case Study 2: The organization Y in Bangladesh

This case examines a social enterprise operating in Bangladesh that integrates negative resources into its business model, fostering inclusive practices and addressing local socio-economic challenges. The focus will be on how the enterprise leverages these resources to create value and enhance social inclusion

Aspect	Details
Activity	This initiative represents the implementation of "social business" within the BOP market in Bangladesh. Beyond addressing child malnutrition through a nutritional intervention, it aims to create income sources for local villagers: small farmers sell their milk to the company, and a network of resource-poor women earn income by selling yogurt door-to-door. The program also supports 250 delivery personnel by providing insurance, sales training, and income stability.
Social mission	To improve the health of malnourished children by offering yogurt tailored to their nutritional needs and to reduce poverty by creating local jobs.
Brief history	In 2005, Nobel laureate Professor Muhammad Yunus and former CEO Franck Riboud met in Paris and founded The organization Y in 2006. This company, operating under the social business model, aims for social objectives while remaining economically viable without making a profit or incurring losses. The enterprise combats malnutrition in rural Bangladesh, ensures economic sustainability, and provides regular income to "the Ladies" and local dairy producers. Investors recover only their initial

	investment, with no dividends paid beyond that amount. Once the investment is repaid, profits are reinvested into the company for further development.
Legal status	The organization Y has been operating in Bangladesh since 2006 as a limited liability company.
Beneficiaries	About 60% of the Bangladeshi population lives on less than €2 per day. The initiative targets this demographic, focusing on improving their nutritional status and economic opportunities.
Human resources	As of early 2010, the company employed over 30 local staff at the factory, engaged more than 175 "the Ladies," and partnered with over 280 micro-farms.
Partners	Key partners include: Multinational company; The organization Y Crédit Agricole Foundation
Revenue	Generated €11,827,000 in revenue in 2013.
Value proposition	
Particularities / specificities	While the primary objective is to enhance the well-being of Bangladeshi communities, another perspective suggests that The organization Y seeks to use its experience in Bangladesh as a springboard to enter other BOP markets in Asia.

Source: Author

The two case studies presented represent business models claimed to be inclusive by their stakeholders and aptly illustrate the challenges and innovations in the value propositions of organizations operating within the BOP (Base of the Pyramid) market. By examining these two organizations, which embody BOP Protocol 1.0 and BOP Protocol 2.0, we discuss their differences as well as their points of convergence.

Our analysis focuses on the organizational level of inclusion by analyzing its modalities throughout the value proposition and identifying best practices for inclusion.

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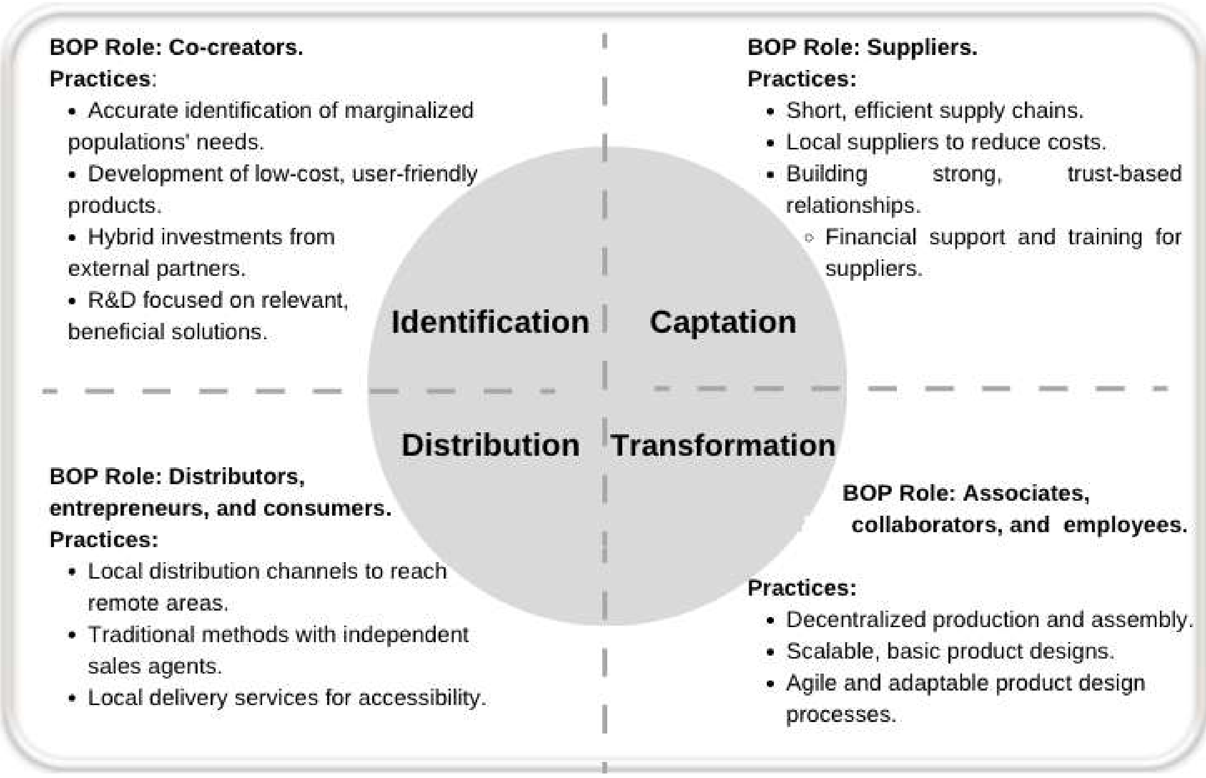
4. Results and discussion

The practices observed in our case studies tend to bridge the theoretical debate between Warnier et al. (2013) and its critique by Durand (2013). Our analysis suggests that the inclusion of "negative" resources requires the mobilization and combination of various resource types (Weppe et al., 2013). Thus, the modalities of including negative resources in the BOP market emphasize (1) *Adaptation to Local Context*: Tailoring strategies to the specific local conditions and needs, (2) *Participation and Involvement*: Engaging BOP populations in the value proposition, (3) *Respect for Individual Contributions*: Recognizing and valuing the unique contributions of each participant, and (4) *Recognition of Contribution*: Acknowledging the significance of each actor's input in the value creation process. Figure 1 summarizes the best practices and modalities of inclusion for BOP populations within the value propositions of social enterprises, and how BOP actors are integrated into each stage, it's consisted of four main stages: **Identification, Captation, Transformation,** and **Distribution.** Each stage includes specific practices and roles that BOP actors usually plays.

Figure 1: Best Practices for Inclusion in the BOP Market



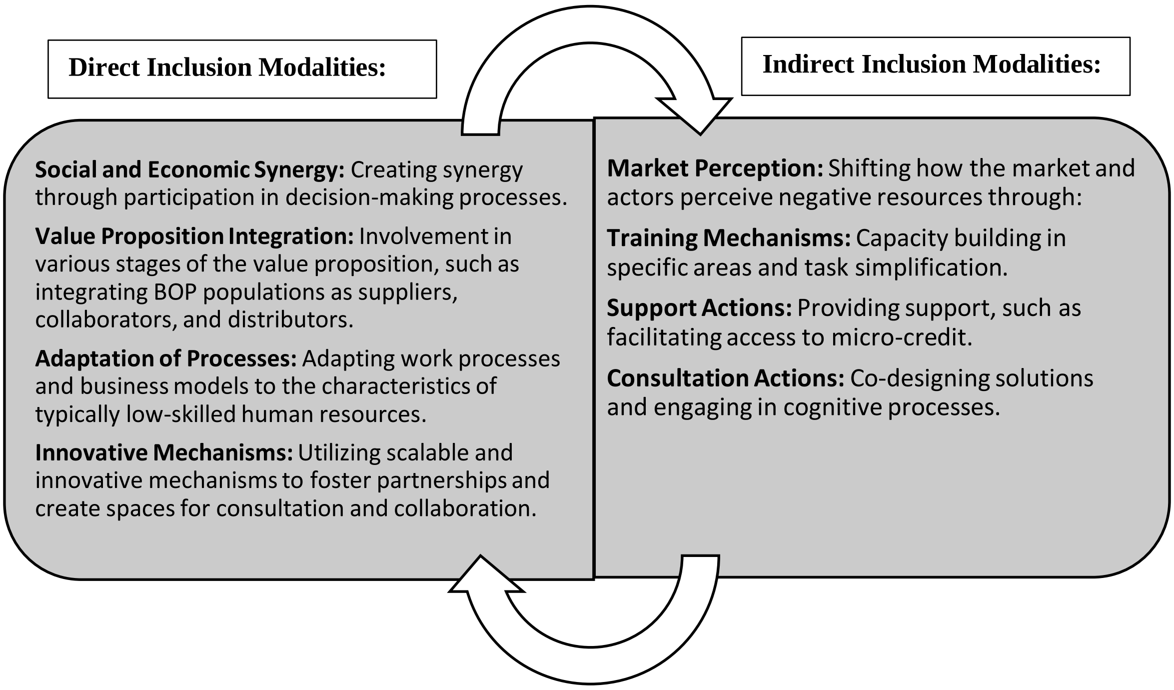
Source: Author

The practices identified in our study underscore the crucial roles that Base of the Pyramid (BOP) actors play throughout the business process, from initial identification to final distribution. During the **identification** stage, firms must accurately discern the needs of marginalized populations and create products using low-cost, user-friendly materials, involving BOP actors as co-creators to ensure relevance and efficacy. This stage also includes securing hybrid investments from external partners to fund development. In the **captation** phase, BOP actors contribute as key suppliers in the supply chain, where establishing short supply chains and nurturing trust-based relationships with local suppliers are essential. Providing financial support and training further strengthens these ties. During **transformation**, BOP actors engage as associates, collaborators, and employees, with decentralized production and assembly processes leveraging local labor and minimizing costs. Products are designed to be basic but scalable to stay adaptable to market demands. Finally, in the **distribution** stage, BOP actors act as distributors, entrepreneurs, and consumers, utilizing local channels to access remote areas and employing traditional distribution methods like independent sales agents and local delivery services. This comprehensive involvement not only extends market reach but also empowers BOP actors with entrepreneurial opportunities, driving inclusive and sustainable business models.

To achieve economic viability, these organizations leverage their ability to extract competitive advantage through the resources they mobilize and combine. They have found ways to operate in a relatively unexplored market through (1) *Strategic Positioning:* In their value chain to maximize resource utilization and market reach, and (2) *Innovative and Agile Managerial Processes:* These processes have enabled the deployment of an inclusive business model.

Our research identifies two levels of intervention on negative resources, summarized in Figure 3:

Table 3: Direct and indirect inclusion modalities of intervention on negative resources.



Source: Author

For instance, *THE ORGANIZATION X* and *THE ORGANIZATION Y* have both demonstrated innovative approaches to integrate negative resources and develop inclusive business models, While the case of *THE ORGANIZATION X 's* Program provides affordable access to essential services such as water, electricity, and sanitation for marginalized communities. They leverage local partnerships and financial mechanisms to reduce the upfront costs for households, thereby facilitating their inclusion into the utility networks. This program highlights the importance of strategic positioning and innovative financing to make basic services accessible to low-income populations. In the other hand he case of *THE ORGANIZATION Y Ltd* In Bangladesh, had developed a unique social business model, by sourcing milk from small local farmers and employing women as door-to-door yogurt sellers, they effectively integrates negative resources by turning them into valuable assets. Their approach demonstrates how aligning business operations with local capabilities and needs can foster both economic viability and social impact.

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This work underscores the complexity of integrating negative resources into organizational processes. While the integration of strategic resources is well-documented, incorporating ordinary or negative resources requires continuous investment in research and development (R&D) to effectively identify and capture their potential value.

5. Conclusion and Future research:

This study has delved into the integration of negative resources into the value propositions of firms operating within the Base of the Pyramid (BOP) markets. By analyzing the detailed cases of THE ORGANIZATION X 's "*Branchements Sociaux BS*" program in Morocco and *THE ORGANIZATION Y* in Bangladesh, we have demonstrated how these organizations have successfully leveraged resources typically perceived as liabilities. Our findings illustrate that by reimagining and repurposing negative resources, firms can create significant social and economic value, thereby contributing to inclusive and sustainable business models.

Our research identifies several key findings. (1) We have shown that negative resources, often undervalued, can be leveraged to foster competitive advantage and social inclusion. This reframing allows firms to turn perceived liabilities into valuable assets, particularly in BOP settings where resources are limited. (2) The case studies highlight the importance of innovation and local adaptation. THE ORGANIZATION X and the organization Yhave both tailored their business models to address the needs of marginalized populations. For instance, THE ORGANIZATION X 's use of innovative financial mechanisms makes utilities affordable for low-income households, while the organization Y integrates local farmers and women entrepreneurs into their supply chain (Prahalad & Hart, 2002; Prahalad, 2005). (3) By involving marginalized groups in their operations, these firms address critical issues like poverty and malnutrition and enhance the social status and well-being of these communities. Inclusive business models that effectively utilize negative resources can lead to significant improvements in social outcomes, contributing to the reduction of social exclusion (Vachani & Smith, 2008).

Our research extends the existing literature by expanding the theoretical framework of RBV to include negative resources. While traditional RBV emphasizes resources that are valuable, rare, inimitable, and non-substitutable (VRIN), our study shows that resources perceived as negative can also be strategically important when redefined and integrated into the value creation processes (Warnier et al., 2013). This contribution is particularly significant in the context of BOP markets, where conventional resources are often scarce or unaffordable.

Future research should explore the integration of negative resources across various industries and firm types, including small businesses and multinational corporations, to uncover their strategic value beyond the BOP markets. Longitudinal studies are essential to evaluate the sustainability and scalability of inclusive business models that utilize negative resources, focusing on their long-term socio-economic impact and adaptability. Comparative research across diverse cultural and economic contexts can enhance our understanding of implementing inclusive practices effectively in different local conditions. Additionally, investigating the role of digital technologies and innovative platforms in managing negative resources and engaging marginalized populations can reveal new avenues for enhancing inclusive business models. Finally, examining the influence of policy frameworks, government incentives, and partnerships with NGOs on the integration of negative resources is crucial for supporting sustainable development and fostering inclusive business practices.

In conclusion, our study supports the view that the effective inclusion and engagement of marginalized populations in value propositions and remunerative activities can significantly enhance their social status, dignity, and overall well-being. By focusing on sustainability, innovation, entrepreneurship, and impact investment from the early stages of business development, the private sector can play a pivotal role in accelerating social inclusion. This not only mitigates social exclusion but also empowers BOP populations to participate in a process of sustainable social integration.

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